











KOUGA
local municipality
Good Governance through Service Excellence

Second Draft Annual Report 2015/2016

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Report on the Implementation of the Service Delivery and Budget Plan for 2015/2016

i) Foreword by the Executive Mayor



The end of the 2015/2016 financial year also brings to a close the five-year term of the current Kouga Council. As the outgoing Executive Mayor, I am honoured to be able to submit this report to our communities, outlining our activities of the past year and putting into practice our commitment to good governance.

An undeniable highlight of the year under review was the appointment of contractors to install internal services and build RDP houses at Ocean View, Pellsrus and Kruisfontein. These projects were approved in 2009 but had to be put on hold as there was not enough bulk capacity to service the new houses.

Addressing the bulk challenge was prioritised the very moment the new Council took charge in 2011. With only five years in which to make a difference, we strengthened the municipality's finances and forged partnerships with sector departments, thus enabling us to fund and implement bulk projects worth millions of Rand.

Many projects have already been completed, most recently at Hankey and Patensie where more than R100-million has been invested in water and sanitation upgrades. Other projects, including the upgrade of the Kruisfontein Waste Water Works at a cost of R85-million, are nearing completion and will allow for the building of further RDP houses.

Its stronger financial position further allowed the municipality to fund projects from its own income over the past year. Eighty-seven houses at Thornhill were connected to the waterborne-sewer system in this manner, effectively bringing to an end the town's reliance on sewer tankers. A similar project was launched at Wavecrest so as to start eliminating the need for sewer tankers at Jeffreys Bay.

We are also proud of having achieved two consecutive unqualified audit reports and are eagerly awaiting the outcome of the 2015/2016 audit.

In closing, I would like to thank my Mayoral Committee, Councillors and the municipal administration for their hard work over the past five years. We are also grateful to our sector partners, local business and other stakeholders for their support. Together, we built a stronger municipality and communities. May the good work continue and Kouga's people reap the rewards.

CLR D. KETTLEDAS

Executive Mayor

ii) Executive Summary by the Municipal Manager



The Council has adopted five developmental priorities in line with the National and Provincial priorities and which are in line with the current directorates as outlined in the Integrated Development Plan and the Service Delivery Budget Implementation Plan as follows:

1. Institutional Transformation & organizational development
2. Good Governance and Public Participation
3. Basic Service Delivery and Infrastructure Development
4. Local Economic Development
5. Financial Viability and Management.

These five developmental priorities are aligned to Circular 63 of the MFMA, issued by National Treasury as a guiding document in the formulation and preparation of the Annual Report. The intention of the Annual Report is to give feedback and highlights on matters that were dealt with and achieved in the 2015/16 financial year and also provides mechanism for challenges encountered in the year.

Since the appointment of the new administration in 2012, the financial and administrative processes improved significantly in the Kouga Municipality. In the 2012/13 financial year the Municipality received a qualified audit outcome, whilst for the 2013/14 to 2015/16 financials years, the Municipality achieved three successive unqualified audit outcomes. In a survey conducted by Good Governance Africa, Kouga Municipality was viewed by this company as the best- run municipality in the Eastern Cape. Of the two hundred and thirty- four (234) municipalities' country wide, Kouga was ranked twenty-six (26) in good governance and financial sustainability. On top of this achievement, Kouga Municipality was praised for having the best Integrated Development Plan (IDP) document by the MEC for Co-operative Governance and Traditional Affairs when conducting Provincial best annual IDP reviews.

In September 2015, the Executive Mayor and the Eastern Cape Member of Executive Council (MEC) for Economic Development, Environmental Affairs and Tourism officially opened the two billion rand (R2b) wind farm at Oyster Bay. The wind farm has thirty-two (32) turbines and will add about three hundred (300) GWh per annum of clean renewable energy to the national power grid. Another wind farm is currently under construction at Gibson Bay. The municipality has also has installed and switched on electricity in thirty-four (34) houses in Umzamowethu at the cost of three hundred and forty thousand rand (R340 000).

In January 2016, a new high mast light was switched on at Sea Vista. More than twenty-five million rand (R25m), was spent on upgrading sewer pump stations and nine (9) pump stations were upgraded in total. Sewer tanks at Wavecrest were redundant, and the municipality appointed a contractor to put in place infrastructure to connect houses to the waterborne sewer system. 150 houses are set to benefit from the first phase, which is implemented at the cost of six million rand (R6m). A new water reservoir was built at Jeffreys Bay at a cost of twenty-six million rand (R26m). In 2015, a water plant was installed at Wavecrest as part of the municipality's efforts to address the discolouration of water. Other upgraded pump stations were La Mer, Appiesdraai, Duine Road, Trevor Manuel, Koraal Street, 4B Beach, Cormorant and Diaz Road.

The construction of one thousand five hundred houses (1500) RDP houses at Ocean View and two hundred and twenty (220) houses at Pellsrus, Jeffreys Bay, is yet to commence. Human Settlement Member of the Executive Council (MEC) visited

Jeffreys Bay earlier 2016 to introduce the contractors for the two projects, Jade Africa and the Ikhaya Development Trust. The contractor will first put in place the internal services for the houses before starting construction of the structures. The commencement of the projects came after the recent successful implementation of sewer and water projects in Kouga, funded by the Department of Human Settlement.

A new high mast light was erected at Ocean View early in 2016. Fifty-one (51) households at Chris Hani informal area received electricity for the first time. The 66/22kv transformer bay at the main Jeffreys Bay substation was upgraded and a feeder bay for Ocean View was added. Kouga Municipality has many good reasons to be proud of its work. The Dolphin Beach retained its International Blue Flag status. It scored top in two consecutive surveys of the East Cape Beaches. The neighbouring Pellsrus Beach offers braai areas, something lacking at Main Beach.

More than two hundred Kouga residents have been employed through the Community Work Programme (CPW). The Kruisfontein Waste Water Treatment Works has been upgraded at a total cost of eighty-five million rand (R85m). This project will be completed in 2017 and will pave the way for the building of more than two thousand (2000) RDP houses. The municipality spent eight million rand (R8m) on the construction of the outfall sewer. The Waste Water Treatment Works at KwaNomzamo was fenced at a cost of two million rand (R2m). In April 2016, the MEC visited Kouga and introduced the contractors, Bendolite Consortium, who had been appointed to do the internal services and construction of three hundred and ninety-one (391) homes at Kruisfontein. The project is worth sixty-six million rand (R66m), and is expected to take 24 months to complete.

By the end of 2016, the upgrade of Humansdorp and Hankey landfill sites will be completed and it had cost twenty-five million rand (R25m). The project is implemented in partnership with the Department of Environmental Affairs. The key aspects include security fencing, guard houses and new waste cells at both sites. A weigh bridge and electronic waste recording system are also installed at Humansdorp. Five million rand (R5m) was spent on electrifying four hundred and eighty-two houses in Humansdorp. The beneficiaries were one hundred and fifty-three (153) families from the Old Golf Course, two hundred and thirty-eight (238) from Pola Park and ninety-one (91) from Shukushukuma. Three new high mast lights were erected at Gill Marcus, the Old Golf Course and Vergenoeg in 2016. A total of six thousand two hundred (6200) geyser control unit were installed in Humansdorp, St Francis Bay and Jeffreys Bay.

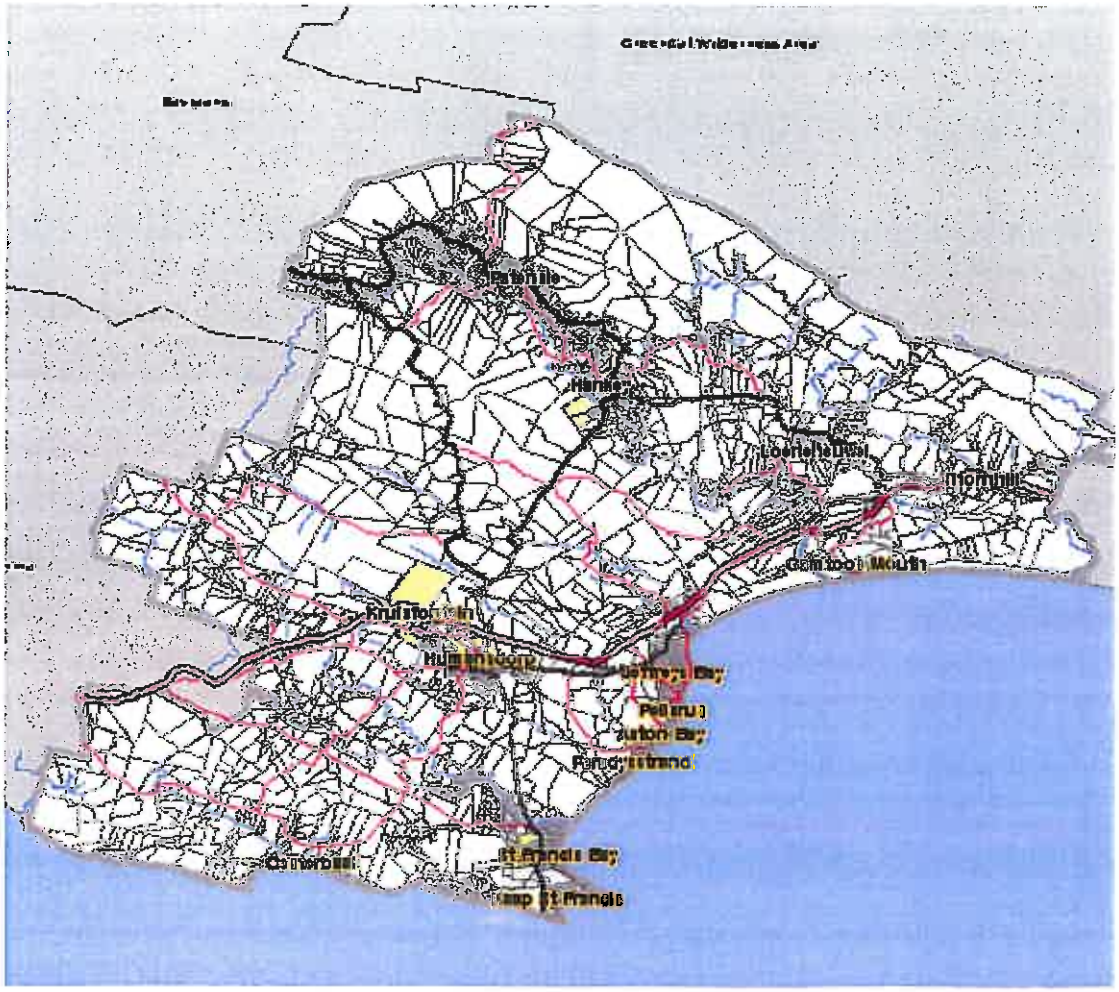
The bulk water supply to Patensie was expended and improved at a cost of eighteen point eight million rand (R18.8m). The water treatment works was improved and a new water reservoir and tower built at Ramaphosa Village. Kouga Municipality spent fifty-six million rand (R56m) for sewer upgrade system of Patensie. All this good work was achieved due to the support and guidance of our political principals, Department of Co-operative Governance and Traditional Affairs, Department of Human Settlement and Sarah Baartman District and wish to show my appreciation and gratitude for their assistance and patience.

I would like also to thank our officials for taking pride in what they are doing. A lot has been done, but more still need to be done so that communities appreciate and support the strides made by the municipality.

Mr. S.S. FADI
MUNICIPAL MANAGER

iii) Municipal Overview

OVERVIEW OF THE MUNICIPALITY



OUR VISION

Kouga – a safe, equitable and harmonious home, with prosperous and sustainable livelihoods for its people.

OUR MISSION

To create a better life for its people by providing effective and efficient service delivery, enabling the sustainable harnessing of its environmental assets, supported by inclusive governance and stakeholder participation, derived from the shared values of its people and its legislated mandate.

The Values underpinning our Vision and Mission are:

Honesty
Integrity
Accountability
Consistency
Equality
Transparency
People-centred
Professionalism
Accessibility
Batho Pele

LOCATION

Kouga Local Municipality forms part of the Cacadu District Municipality in the Eastern Cape Province of South Africa. It is situated west of Nelson Mandela Bay Municipality (Port Elizabeth, Uitenhage and Despatch) and covers a total land area of 2 418km². The nine towns included in Kouga are Jeffreys Bay, Humansdorp, St Francis Bay, Cape St Francis, Oyster Bay, Patensie, Hankey, Loerie and Thornhill.

TOPOGRAPHY AND CLIMATE

Kouga is largely an urban area, with three main topographical regions:
The coastal region stretches from the Van Stadens River in the east to the Tsitsikamma River in the west. This zone includes the towns of Jeffreys Bay, St Francis Bay, Cape St Francis and Oyster Bay. The coast serves as a major tourism attraction.

The Gamtoos River Valley is characterised by wide, fertile flood plains associated with low-lying land. Steep and less-fertile slopes flank the Valley. The towns of Hankey, Patensie, Loerie and Thornhill are focal points of this high-potential agricultural region.

The Humansdorp area, including Kruisfontein, is characterised by moderate slopes in the south, with steeper slopes towards the north and northwest.

The four main rivers in the area - the Kromme, Seekoei, Kabeljouws and Gamtoos – are tidal rivers. The Kromme River and Gamtoos River are significant sources of water supply. Ground water is another major component of domestic water supply. Aquifers are also utilised in the agricultural sector for irrigation.

There are numerous areas of wetland adjacent to the region's rivers and on the coastal platform. These wetlands are extremely sensitive to disturbances such as agricultural activities and development. The wetlands accommodate high species diversity and fulfil natural water purification and flood retention roles.

The climate of the Kouga region is subtropical, which makes the area conducive to a range of outdoor activities and various types of agricultural production. Rainfall varies between 650 mm per year (St Francis Bay area) to 400 mm (Gamtoos River Valley). The area is generally described as windy.

POPULATION

Despite it being the second smallest region in Cacadu, covering only 4, 1% of Cacadu's land area, Kouga is the most populous region in the district. It has a population of 98 588 (Census 2011), representing approximately 22% of the total population of the district.

Kouga also has the fastest annual growth rate in the district. Since 1996, the population has increased at an average of 2, 4% per annum compared to the annual growth rate of 1,1% in the district and 0,3% in the province.
Kouga is characterised by vast differences in population density from one area to the next. These variations have an impact on the cost of service delivery while migration to the urban nodes places additional pressure on the existing infrastructure of these high-density areas.

The influx of job seekers has also impacted negatively on employment figures. According to "Labour Force Survey Data" for 1995 to 2010 (Stats SA), employment in

the region declined by 11,7% between 1995 and 2010 while the working age group increased by 25%. This means that 80,3% of the working age group had employment in 1995, compared to 56,8% in 2010.

ECONOMY

Kouga's total output / Gross Value Added (GVA), which is used to measure the value of production in a region, has shown erratic growth since 1996.

"Regional Income and Production Data" for 1995 to 2010 (Stats SA) indicates that the economic sector of Kouga is dominated by secondary and tertiary activity.

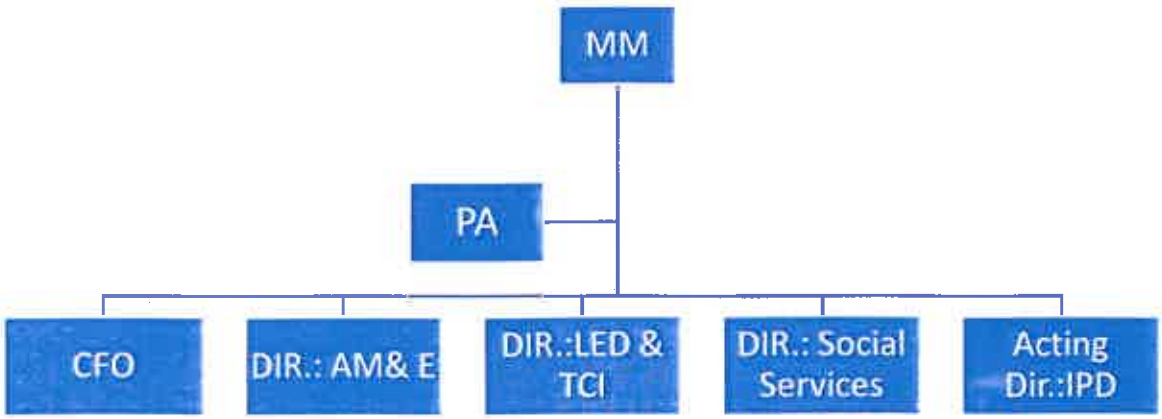
In 2010 the leading industries were finance, insurance and real estate (FIR) at 33,3%, manufacturing (MAN) at 19,1% and general government (GG) at 14,2%. With its growth outpacing all other industries, FIR has since 1996 overtaken wholesale and retail trade, catering and accommodation (WRCA) as the largest contributor to GVA. WRCA's proportion to Kouga's output has plummeted from 21% in 1995 to 10,3% in 2010.

The contribution of the main primary sector – agriculture, forestry and fishing (AFF) – has also decreased from 11,8% in 1995 to 3,5% in 2010. However, MAN's proportion saw an increase of 4,8% over the same period. While the primary sector dominated employment up until 2005, the tertiary sector has since taken over this role.

According to 2011 Census, Kouga Municipality is currently the fastest growing economy in the country. With the onset of a number of megaprojects in the area, there is phenomenal growth and influx of people into the area and this has a big impact on the economy. It also impacts on the services of the area as well. This has the positive effect of job creation and added business opportunities for Kouga. It is said that there is 3,22% growth rate population and is ranked 114 by population size in the country.

1.1. Presentation on the Organizational Structure

The total number of permanent staff is eight hundred and sixty (860), the number of the temporary staff is one hundred and seventy- five (175), s56 and s57 is six (6), member of Council is twenty-nine (29), special contract is two (2) and continued members is seventy-five (75). In total the number of employees in our payroll is one thousand one and fifty-six (1,156). Of the one thousand one hundred and fifty-six (1,156), the males are seven hundred and seventy-three (773) and the females are three hundred and eighty-three (383). Out of the total number of one thousand one hundred and fifty-six (1,156), Africans are five hundred and twenty (520), Coloureds five hundred and thirty-seven (537), other is three (3) and whites ninety-six (96).



During the 2015/16 financial year, the S57 and S56 signed and implemented the performance plans and agreements. The quarterly reviews for 2013/14 and 2014/15 were conducted as well as the final evaluation. The panel for performance evaluation were appointed and the outcomes was approved by the Council. The S56 represented the Employment Equity in 2013/14 financial year, but after the resignation of the CFO in 2014, the new CFO was appointed in December 2015, on a seven-year contractual basis.

In July 2016, Kouga has managed to submit the signed and approved performance plans and agreements by the Municipal Manager and the Directors. This again shows that we are everyday improving in managing our performance system.

1.2. Staff development initiative during 2015/16 financial year

1.2.1. Workplace Skills Plan – Training Report 2015/16

2015								
No	**Name Of Learning Intervention**	**Employment Section**	**Training Dates**	**Service Provider**	**NQF**	**Number of Employees Trained**	**Mode of Delivery**	**Actual Costs**
1	Customer Care	Tourism Buddies/ Law enforcement/ Life Guards Ages: 18-35	16 July 2015			25	Skills Programs	R5,000
2	First Aid Training	Tourism Buddies Ages:17-25	21 August 2015		4	10	Skills Programs	R15,000
3	Product Development Pricing New Design	Shell Ladies Ages:30-50	18 Sept 2015 27 Oct 2015		N/A	7	Skills Programme	R 20,000
4	Cricket Training	Schools Ages: U12	August - October 2015		N/A	74	Skills Programme	R 30,000
5	Archives &Records Management	Manager & Clerk	28 – 30 October 2015	Mictech Solutions	5	2	Skills Program	R19,000.00
6	First Aid Level 3	Fire Fighters	30 November-04 December 2015	Rural Metro Services	4	8	Skills Program	R0.00 Sarah Baartman Funds
7	Shortlist Learning Programme in Construction Management	Councillor and Officials	November 2015 -	NMMU	5	3	Short Learning Course	R0.00 Paid by Department of Human Settlement
8	First Aid Level 3	Fire Fighters	7 Dec 2011 December 2015	Rural Metro Services	4	7	Skills Program	R0.00 Sarah Baartman Funds
	Total Number of Employees Trained					136	**TOTAL AMOUNT= R89,000.00**	
2016								
8	Fire Fighter 1 & Hazmat Operations	Fire Fighters	12 January 11 March 2016	Rural Metro Services	4	1	Skills Program	R0.00 Sarah Baartman Funds

9	Product Development &Pricing; New Design	Basket Weavers Ages:40-50	15 February-17 March 2016		N/A	4	Skills Programme	**R7,500**
10	Occupationally Directed Education and Training Practices **(OD ETDP)**	Professionals	26 February 2016	Resonance	6	2	Learnership	R0.00 **LGESTA Discretionary Grants**
11	Fire Fighter 2 and Hazmat Operations	Fire Fighters	12 January – 26 February 2016	Rural Metro Services	4	4	Skills Program	R0.00 Sarah Baartman Funds
12	Introduction Sketching Design	Mosaic Ages 18-35	07 March-10 March 2016		N/A	4	Skills Programme	N/A
13	Product Development &Pricing; New Design	Bead Work Ages: 18-50	29 March-08 April 2016		N/A	5	Skills Programme	R7,500
14	Accounting Certificate Program	Unemployed Youth With Accounting subject in Matric	11 April 2016	S & T School of Accounting Technicians	5	7	Bursary	R0.00 **LGSETA Discretionary Grants**
15	Fire Fighter 2 and Hazmat Operations	Fire Fighters	14 March – 06 May 2016	Rural Metro Services	4	4	Skills Program	R0.00 Sarah Baartman Funds
16	Fire Fighter 1 & Hazmat Operations	Fire Fighters	23 May – 22 July 2016	Rural Metro Services	4	4	Skills Program	R0.00 Sarah Baartman Funds
17	CPMD (3 Unit Standards)	Professionals	April – June 2016	S & T School of Accounting Technicians	6	50	Skills Program	R0.00 **LGSETA Discretionary Grants**
Total Number of Employees Trained						85	**TOTAL AMOUNT= R15,000.00**	

Work-based Learning Programmes 2015/16

No	Name Of Learning Intervention	Employment Section	Training Dates	Number of Employees Trained	Mode of Delivery	Actual Costs
1	Internship Programme	Unemployed Graduates with Finance Qualifications	May 2016	4	Internship	R0,00 **National Treasurer Discretionary Grants**
2	Experiential Learning	Human Resources	July 2015 – June 2016	8	Work Experience	R0.00

		Electrical Distribution Planning & Development				
3	Artisan Programme 1. MISA 2. ESKOM	Unemployed Artisans	July 2015 – June 2016	3 2	On-the-job-training	R0.00
Total Number Trained				17	**TOTAL AMOUNT= R0.00**	

1.2.3 Employment Equity Plan

Kouga Municipality's Draft Employment Equity Plan 2010 – 2015 expired on the 31 October 2015.

The new Draft Employment Equity Plan 2015 – 2020 is been finalised to be tabled at all relevant structures.

1.2.4 Employment Equity Report

Kouga Municipality submitted its Employment Equity Report to The Department of Labour on the 14 December 2015.

An Acknowledgement Letter issued by the Director-General of the Department of Labour was issued. Kouga Municipality's name is in the Employment Equity Public Register for 2015 for reporting on the implementation of its Employment Equity Plan.

1.2.4 Employment Equity Plan - Appointments Through Recruitment and Selection

Directorate	Department	APPOINTMENTS						TOTAL
		AM	CM	WM	AF	CF	WF	
Finance								
	CFO		1					1
	Revenue	1	1					2
	Interns	3			1			4
IPD								
	Electrical		1		1			2
TOTAL		4	3		2			9

1.3. Key HR statistics per functional area

1.3.1. Technical staff registered with Professional bodies

Technical Services	Total number of technical service managers	Total number registered in the accredited professional body	Total number pending registration confirmation in the accredited professional body	Total number not yet registered in the accredited professional body
Civil, Water & Electricity	4	1	0	3

1.3.2. Staff levels at education and skills

Total number of staff	Number of staff without Grade 12	Number of staff with Senior Certificate only	% of staff with Tertiary/accredited professional training

1.3.3. People with disability

Males				Females				Total
African	Coloured	Indian	White	African	Coloured	Indian	Whites	
7	4	0	0	2	2			15

1.3.4. Trends on total personnel expenditure

Financial year	Total no. of staff	Actual operating expenditure	Personnel expenditure	% of personnel expenditure
2012/13	**922**	R 545 906 310	R 193 299 330	35.41%
2013/14	**878**	R 589 224 141	R 208 085 170	35.32%
2014/15	**822**	R 596 216 383	R 212 826 380	35.70%
2015/16	**860**	R 641 955 770	R 228 678 963	35.62%

1.3.5. List of pension, retirement and medical aid to whom employees belong

1.3.5.1. Pension and retirement fund

Name of pension fund	Number of members
Cape Retirement Fund	397
Cape Joint Pension Fund	2
National Fund for municipal workers	6
South African Local Authority Pension Fund	16
SAMWU Provident Fund	225
Sanlam Provident Fund/Momentum	211
SAMWU Pension Fund	-
Councillors Pension Fund Cape Retirement Fund No. CC	4

1.3.5.2. Medical Aid Fund

Names of Medical aid	Number of Members
Bonitas	148
Key Health	23
Hosmed	93
LA Health	154
SAMWU - Med	82

1.3.5.3. Leave Management

Leave Type	2015/16
Annual leave	6121
Sick	3070
Unpaid	145
Maternity	-
Responsibility	-
Other	465
Total	**9801**

1.4. Salary Disclosure

1.4.1. Councillors Actual (remuneration of Public Office Bearers Act)

Designation	2014/15	2015/16
Executive Mayor	R 559 735	R 568 509
Speaker	R 447 788	R 454 808
Mayoral Committee	R 3 645 481	R 2 558 295
Part- Time Councillors'	R 1 927 247	R 3 627 081
Company contribution to UIF, Medical and Pension Fund	R 185 501	R 178 228
Telephone Allowance	R 704 683	R 709 572
Travelling Allowance	R 2 286 283	R 2 443 672

1.4.2. S57 and S56 remuneration

Designation	Salary Benefit	Earning 2014/15	Earning 2015/16
Municipal Manager	Annual Remuneration	R 929 264	R 1 004 392
	Car Allowance	R 167 008	R 181 523
	Company Contributions to UIF, Medical and Pension Funds	R 18 160	R 12 608
Chief Financial Officer	Annual Remuneration	R 583 333	R 952 521
	Car Allowance	R 58 333	R 104 467
	Company Contributions to UIF, Medical and Pension Funds	R 10 122	R 13 176
Director: AM & E	Annual Remuneration	R 856 521	R 923 198
	Car Allowance	R 107 197	R 110 408
	Company Contributions to UIF, Medical and Pension Funds	R 19 985	R 13 580
Director: Social Services	Annual Remuneration	R 952 521	R 920 023

	Car Allowance	R 103 596	R 144 000
	Company Contributions to UIF, Medical and Pension Funds	R 17 391	R 17 376
Director: LED & TCI	Annual Remuneration	R 856 521	R 923 198
	Car Allowance	R 108 216	R 96 000
	Company Contributions to UIF, Medical and Pension Funds	R 14 877	R 16 967
Director: Infrastructure, Planning and Development	Annual Remuneration	R 856 521	R 923 198
	Car Allowance	R 96 000	R 96 000
	Company Contributions to UIF, Medical and Pension Funds	R 19 985	R 18 325

NB: The finances does include the acting allowances paid in the 2015/16 financial year.

1.5. Implementation of the Performance Management System (PMS)

Performance Management is regulated through the provisions of the Local Government: Municipal Systems Act and regulations promulgated in terms of the Act. In compliance with legislative provisions does the Integrated Development Plan for year under review form the basis of the Institutional Service Delivery and Budget Implementation Plan?

The Institutional Service Delivery and Budget Implementation Plan form the basis for the individual performance agreements of the Municipal Manager and Directors. Performance agreements are concluded annually on or before 31 July each year. Performance reviews must be conducted on a quarterly basis with the annual performance review conducted by a panel as required through the provisions of the Performance Management Regulations.

The payment of bonuses is subject to the adoption of the annual report by the Council in respect of the year under review and as such can a performance bonus not be paid during the year under review, but on during the next financial year if such a performance bonus was approved.

During the 2015/16 financial year, the annual performance reviews in respect of the 2013/14 and 2014/15 years were concluded. Where the required performance standards have been met, the applicable performance bonus shall be paid during the 2016/17 financial year. For the year under review no performance bonuses were paid to any section 56 or 57 employees.

1.5.1. Compliance with legislative requirements

Current usage of the electronic performance management system shows a substantial improvement in comparison with the prior years. In 2016/17 financial year, Kouga has managed to table the Council the signed performance agreements and plans for adoption on the 29 July 2016 as required by law. The Municipal Manager and the Directors do sign performance agreements and performance plans and also between Directors and Managers but further down is still a great challenge. This is because the system is not so effective between the Directors and Managers.

One of the greatest challenge in cascading the system down is the development of Departmental SDBIP by managers. Once the Directors has developed their performance plans and agreements, Managers are supposed to start their own performance agreements in line with the Directors performance agreement which is not attended on time after Directors has signed their performance agreements. This then requires a proper training by a Performance Management System Champion so as to comply with this regulation otherwise now we are partially compliant.

1.6. Annual performance as per the key performance indicators in Organizational Development

No	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	38	38	100%	Posts were filled according to plans.
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	6	6	100%	All positions filled
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	2	2	33.3%	4 s56 were trained in 2013/14 financial year on the required standard by National Treasury
4	Percentage of Managers in Technical Services with a professional qualification	1	25%	100%	Not all employees in this area are registered with professional body
5	Level of PMS effectiveness in the DM – (DM to report)	**THE INFORMATION SHOULD BE REFLECTED IN A NARRATIVE FORM** The PMS utilised by Kouga Municipality was in the form of support by the Sarah Baartman District. The system is not as effective as it supposed to be due to non – compliance to the regulation ito quarterly reviews and final evaluation although for 2013/14 and 2014/15 final evaluation conducted.			
6	Level of effectiveness of PMS in the LM – (LM to report)				

No	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
7	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	866	568	65.6 %	Forms were distributed but some of the employees did not bring them back.
8	Percentage of councillors who attended a skill development training within the current 5 year term	29	15	51.7%	Not all Councillors submitted the training needs
9	Percentage of staff complement with disability	866	15	1.73%	Employees had to disclose but not keen to do so
10	Percentage of female employees	866	269	31.1	Need to look at whether the Employment Equity targets are met during appointments
11	Percentage of employees that are aged 35 or younger	866	234	27%	The percentage indicate that we still need to appoint more youth where there are vacancies
12	Adoption and implementation of a District Wide/ Local Performance Management System				

1.7. Major challenges and remedial actions in Organizational Development

Challenges	Solutions
Leave Management – the electronic leave management system is sometimes not working and had to revert back to manual leave management and this poses a challenge in leave as it does not always balance.	
Job Descriptions are completed but the quality of some of the job descriptions is questionable	
TASK Job Grading not implemented	
High litigation costs	
PMS not cascaded down to all levels	

CHAPTER 2: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

2.1. Governance Structure

2.1.1. POLITICAL GOVERNANCE STRUCTURE

NO.	NAME	SURNAME	POLITICAL AFFILIATION	POSITION
HEAD OF COUNCIL				
1	Daphne	Kettledas	ANC	Executive Mayor
2	Magdalene	Dlomo	ANC	Speaker
MAYORAL COMMITTEE				
1	Camealio	Benjamin	ANC	**Portfolio Council :** Tourism & Creative Industries
2	Patrick	Kota	ANC	**Portfolio Council:** Infrastructure Development & Planning
3	Thandeka	Maseti	ANC	**Portfolio Council:** Social Development
4	Vernon	Stuurman	ANC	**Portfolio Council:** Financial, Administrative Monitoring & Evaluation
5	Phumzile	Oliphant	ANC	**Portfolio Council:** Local Economic Development
6	Booi	Koerat	ANC	**Portfolio Council:** Special Programmes
PR COUNCILLORS				
1	Virginia	Benjamin	ANC	PR Cllr
2	Magdalene	Dlomo	ANC	PR Cllr
3	Daphne	Kettledas	ANC	PR Cllr
4	Booi	Koerat	ANC	PR Cllr
5	Thandeka	Maseti	ANC	PR Cllr

6	Vernon	Stuurman	ANC	PR Cllr
7	Daniel	Benson	DA	PR Cllr
8	Chimpie	Cawood	DA	PR Cllr
9	Nico	Botha	DA	PR Cllr
10	Jan	Joy	DA	PR Cllr
11	Juline	Prinsloo	DA	PR Cllr
12	Mthunzikazi	Speelman	DA	PR Cllr
13	Brenton	Williams	DA	PR Cllr
14	Frances	Baxter	DA	PR Cllr

NO.	NAME	SURNAME	POLITICAL AFFILIATION	POSITION
WARD COUNCILLORS				
1	Zolani	Mayoni	ANC	Cllr Ward 1
2	Earl	Hill	ANC	Cllr Ward 2
3	Henda	Thiart	DA	Cllr Ward 3
4	Freddy	Campher	DA	Cllr Ward 4
5	Desmond	Peterson	DA	Cllr Ward 5
6	Phumzile	Oliphant	ANC	Cllr Ward 6
7	Bulelwa	Koliti	ANC	Cllr Ward 7
8	David	Adendorff	DA	Cllr Ward 8
9	Xolisile	Percent	ANC	Cllr Ward 9
10	Patrick	Kota	ANC	Cllr Ward 10
11	Mercia	Ungerer	DA	Cllr Ward 11
12	Ben	Rheeder	DA	Cllr Ward 12
13	Vuyelwa	Mathodlana	ANC	Cllr Ward 13
14	Timothy	Meleni	ANC	Cllr Ward 14
15	Eric	Mahlathini	ANC	Cllr Ward 15

2.1.2. Organisational Structure - SEE ORGANOGRAM ATTACHED AS THE ANNEXURE

2.1.3. Public Satisfaction on Municipal Services

The fifth annual Customer Satisfaction Survey of the municipality was conducted in and June 2016. This was the last survey for the term of Council 2011 – 2016

The survey is one of the platforms available to residents to measure municipal performance and gives a sense of the levels of satisfaction of residents in as far as service delivery by the municipality is concerned.

The survey was conducted in all three of Kouga's main spoken languages, ie, Afrikaans, IsiXhosa and English.

The study was conducted using survey forms distributed to the public for completion. The forms were divided into three categories, with sub-sections and a scoring method provided on each form.

Examples:

CATEGORY	SUB SECTION
SERVICE EXPERIENCE	Customer Care (Telephone skills, reception area, accessibility of offices, staff capacity to deal with challenges, cleanliness of the work environment and offices etc.)
SERVICE DELIVERY	• Water • Electricity • Sanitation • Roads and Stormwater • Refuse Removal • Parks and Open Spaces • Halls and Sportsfields • Fire and Emergency Services • By-law enforcement and traffic • Rates and Accounts
GOOD GOVERNANCE	• Ward Committees • Access to Information • Council Meetings • Administration • IDP and Performance Management

The scoring method to express satisfaction was as follows:
1 = Extremely Poor;
2 = Poor;
3 = Satisfactory;
4 = Good;
5 = Excellent

The forms were available at all units. Residents could also download electronic versions of the form from our website.

The survey was further emailed to residents' associations for distribution to their members. Previous years' participants were also emailed forms to try and ensure that no numbers were lost.
The campaign was publicised in community newspapers, Kouga's Facebook page, which has over 3000 likes, and Kouga's Facebook personal profile which is fast approaching 5000 friends, with more than 4 700.

The number of participants from the traditional bases such as Jeffreys Bay and St Francis Bay area dropped this year, though there was a welcome improvement with Humansdorp and Hankey once more having residents participating in the survey.

It is also pleasing that the spread reflects the coastal and the inland areas, including Gamtoos Valley.

The numbers this year will reflect the four towns of Humansdorp, St Francis Bay, Hankey and Jeffreys Bay. The total number of forms returned is 61, significantly lower than the other years when the survey was conducted.

The low level of participation may be attributed to a number of factors and the fact that this year's survey was conducted on the eve of local government elections may also have contributed to this. This was the first time the survey coincided with elections.

We have also attempted to involve ward committees to assist in broadening participation, but this yielded little success. The communications team will explore using events and other gatherings in future as part of reaching out to more people and in more areas.

Below are the scores according to the main categories and the towns that participated. Numbers are rounded off to the nearest 0.5 value:

St Francis Bay and Cape St Francis

Year	2016	2015	2014	2013	2012
Service Experience	3	2,8	3	3	3
Service Delivery	2,7	2,6	2.5	2.5	3
Good Governance	2,2	2,1	2	2	2.5
Total	**3 (2,737191)**	**3 (2,5100690**	**2 (2.417007)**	**2 (2,419858)**	**3 (2.758064)**

Hankey

Year	2016	2015	2014	2013	2012
Service Experience	2,8	n/a	n/a	3	n/a
Service Delivery	2,5	n/a	n/a	2.5	n/a
Good Governance	2,3	n/a	n/a	2.5	n/a
Total	**3 (2,566612)**	**n/a**	**n/a**	**3 (2,734412)**	**n/a**

Jeffreys Bay

Year	2016	2015	2014	2013	2012
Service Experience	3,6	3	2.5	2.5	3
Service Delivery	2,8	2,7	2.5	2.5	3
Good Governance	2,1	2	2	2	3
Total	**3 (2,910849)**	**3 (2,754914)**	**2.5**	**2.5**	**3**

Humansdorp

Year	2016	2015	2014	2013	2012
Service Experience	3,2	n/a	2	3	3
Service Delivery	2,6	n/a	2.5	2.5	2.5
Good Governance	2,6	n/a	2	2	2
Total	**3 (2,854085)**	**n/a**	**2**	**2.5**	**2.5**

Oyster Bay

Year	2016	2015	2014	2013	2012
Service Experience	n/a	n/a	2.5	n/a	n/a
Service Delivery	n/a	n/a	2.5	n/a	n/a
Good Governance	n/a	n/a	1.5	n/a	n/a
Total	**n/a**	**n/a**	**2**	**n/a**	**n/a**

- No forms were received from Oyster Bay

Total Average

2016	2015	2014	2013	2012
3 (2,767184)	**3(2,632492)**	**2.5 (2.27987)**	**2.5 (2,52633)**	**2.5 (2.648624)**

2.2. Inter – Governmental Relations

The Kouga Intergovernmental Relations Forum (IGR) consists of representatives from the Kouga Municipality, Sarah Baartman District Municipality, sector departments, parastatals and government agencies.

The purpose of the forum is to:

- Consider and coordinate service-delivery continuity measures
- Provide a forum for sharing best experienced practices and learning
- Facilitate communication on, and formulating joint responses to provincial and district policy and legislative processes
- Consider any other matters referred to by either the municipality or sector departments
- Promote inter-sectoral dialogue and mediation in case of disputes between the municipality and other structures
- Ensure that there are coordinated programmes of implementation and the necessary structures with regard to such issues as, but not limited to, rural development, urban renewal, safety and security, local economic development, infrastructure development, HIV/Aids and special programmes
- Promote and enhance the principles of integrated governance at local level by strengthening cooperation between municipalities, sector departments and any other relevant stakeholders.

During the year under review Kouga IGR structure did not function.

2.2.1 Intergovernmental Relations

Kouga Municipality continued to build on its relationship with sector departments during the year under review. Several multimillion-rand bulk infrastructure projects were successfully implemented hand-in-hand with sector partners such as the East Cape Department of Human Settlements and the Department of Water and Sanitation.

The municipality was also an active participant in intergovernmental structures such as the Municipal Managers Forum, driven by the East Cape Government.

Sector departments further participated in the review of the Integrated Development Plan (IDP) through structures such as the IDP Representative Forum.

No meetings of the Kouga Intergovernmental Forum took place in 2015/2016. A key challenge has been defining the Forum's role in relation to the many other intergovernmental engagements that take place on a daily basis.

2.3. Public Accountability and Participation

2.3.1. Public Meetings

Kouga engaged with communities at commemorative events, public hearings, workshops, project launches and meetings during 2015/2016. The table below illustrates the public meetings and events that were held:

MONTH	EVENT
July 2015	Nelson Mandela Day activities, with the focus on Loerie and Thornhill
August 2015	Moral Regeneration Movement/Women's Month prayer sessions at Hankey and St Francis Bay
	Women in Tourism & Business Networking Session at Humansdorp
September 2015	Provincial Heritage Celebrations at Hankey
	Kouga Environmental Day at Humansdorp
October 2015	Matric Prayer Sessions at Humansdorp and Patensie
	National World Fisheries Day celebrations at Humansdorp
October and November 2015	IDP Community Consultation Meetings in all wards
November 2015	Executive Mayoral Outreach at Humansdorp, Loerie, Hankey and St Francis Bay
	Blue Flag launch at Jeffreys Bay
December 2015	16 Days of Activism Mass Prayer at Loerie
	HIV/Aids Awareness Campaign at Jeffreys Bay
	Opening of Season at Jeffreys Bay
	New Year's Eve countdown at Jeffreys Bay

January 2016	Back to School outreach
February 2016	Municipal Public Accounts Committee (MPAC) public meeting at Jeffreys Bay
April 2016	Public meetings to introduce housing contractors at Humansdorp and Jeffreys Bay
April to May 2016	Draft IDP and Budget Public Hearings at all wards
May 2016	Disaster Management Risk Assessment Workshops at all wards
June 2016	Youth in Business programme at St Francis Bay

2.3.2. IDP Participation and Alignment

IDP Review 2015/16

The period of review was for 2015/16 of the 2012-2017(five year) IDP. This was the final review of the 2012-2017 IDP.

The review period started in July 2015. Council approved the IDP Process Plan on 28 August 2015. The Draft IDP as approved on 31 March 2016. The Draft IDP was published for public engagement for 21 days at all municipal offices, libraries and the municipal website. The closing date was 4 May 2016. 2 District IDP Representative Forum Meetings were also held at the District Office in Port Elizabeth where sector departments presented their programmes for the 9 municipalities in the district.

Credibility Assessment

The municipality, during the annual Credibility Assessment of the 2014/15 review received a high rating in all Key Performance Areas which placed the municipality in the category of a benchmark municipality. The written comments of the MEC has assisted the municipality a great deal to ensure strategic alignment with the objectives and planning processes of the provincial and national government. The MEC's comment also form the basis of the review process of the 5 year strategic plan of the municipality and the precious year's comments have been duly incorporated into the review. The 2015/16 assessment has not taken place due to the municipal elections held in 3 August 2016.

The Key Elements for the 2015/16 review included:

- Update of the socio-economic profile of the municipality.
- Update of the ward profiles reflecting new priority ward projects identified for the new financial year.
- Re-affirm the strategic objectives of Council.
- Update the sector plans and report on the progress of implementation.
- Progress of the performance targets set for each directorate in terms of the SDBIP.
- Assessment of the institutional readiness of the organisation to deliver on the strategic objectives of the IDP.
- Responses to the MEC Assessment.
- Alignment of the annual financial planning with the priority service delivery and development issues of communities.
- Improved planning between municipalities and other spheres of government to maximise the impact of service delivery to communities.

Strategic Planning Session

The scheduled strategic planning session was not held, however the administration has reviewed the objectives set during the previous review

Public Participation

Public Participation in the IDP specifically with regard to establishing community needs has shown significant improvement than the previous year. Community Based Planning and needs assessment was done from October to November 2015 in all wards. . The 1st round of public meetings have started well during the period October to November 2015 but the 2nd round did not prove successful due to none attendance by ward councillors, municipal manager and senior managers. The 2nd round of the Public Participation Process commenced on 11 April 2016 and ended on 4 May 2016. However, only 4 wards had public participation meetings and the rest were cancelled.

2 IDP Steering Committee and 2 IDP Representative Forum Meetings were held during the review process.

IDP and Budget Alignment

The IDP and Budget was aligned after receipt of comments from the public and was finally incorporated in the IDP under Chapter 10. The following capital funded projects are listed:

New Melkhout to Jeffreys Bay Main 66Kv line	R 1 573 647
Electrification of Oceanview	R 6 000 000
Generator	R 500 000
Upgrade Kruisfontein WWTW & outfall sewer	R14 679 134
Patensie Replacement of Digesters Phase 1	R 8 368 626
Patensie Upgrade of WWTW	R 500 000
Wavecrest Internal Sewer	R 3 730 000
New sewer pump at Cormorant Sewer Pump Station Aston Bay	R 1 480 000
Pressure filters at Jeffreys Bay Water Treatment Works	R 750 000
Community water supply	R 2 000 000
Air-conditioners	R 50 000
Motor Vehicles	R 250 000
Furniture and Equipment	R 1 898 200
Ablution facility Weston & Kwanomzamo Libraries	R 200 000
Fencing of existing cemeteries	R 500 000
Chairs – Community halls	R 200 000
Acquisition for wheel chairs	R 150 000
Upgrade of hydrants	R 240 000
Satellite fire station (Oyster Bay)	R 400 000
Mesh Truck	R 1 000 000
Transfer Station Patensie	R 2 000 000
Transfer Station Weston	R 350 000
Mini Transfer Station Thornhill	R 350 000
Mini Transter Station Oyster Bay	R 350 000
4 x Skip Trucks	R 1 000 000

Skip Bins	R 400 000
New Community Hall Kwanomzamo	R 5 500 000
Upgrade Sports Facilities	R 4 321 455
2 x Compactor Trucks	R 2 800 000
LED (Social Institutions & Micro Enterprise Infrastructure	R 1 440 485

District alignment

The Alignment of the Kouga IDP with the district and sector departments was more intensified during the 2015/16 financial year. 1 IGR Meeting, to specifically attend to the alignment of sector department projects, and 2 IDP Representative Forum Meetings were held.

Sector Planning (Attachments to IDP)

The following sector plans were approved during the 2015/16 IDP review.

- SDBIP 2016/17
- Water Services Development Plan
- Integrated Waste Management Plan

Sector Department Project Listing

The following sector departments have submitted projects / programmes being funded for implementation during 2016/17 in the Kouga Area:

- Department of Environmental Affairs
- Department of Water and Sanitation
- Department of Human Settlements
- Department of Sport, Recreation, Arts and Culture
- Department of Roads
- Department of Energy
- South African Social Security Agency

The projects/programmes of the abovementioned sector departments have been incorporated in the IDP document under Chapter 10.

Staffing

The IDP Manager was placed in the Office of the Municipal Manager as per recommendation by the MEC. However, the department is still experiencing staff shortage and need to be addressed with the annual review of the organogram.

2.4. Corporate Governance

2.4.1. Risk Management

Risk management is as much about identifying opportunities as avoiding or mitigating losses. It is a logical and systematic process of establishing the context, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process, in a way that enables an organisation to minimise losses and maximise opportunities.

The drive for local government transformation with limited resources has tended to force municipalities into taking a less conservative approach to service delivery with a proportional increase in their risk exposure. Ongoing local government reforms have provided a broad administrative framework for further improvements to occur. These include more stringent corporate governance requirements, greater flexibility and a focus on results and accountability.

Risk management trends and components already overlap with those of internal auditing, performance management, programme and project management, financial management, change management, customer care, communication, etc. and require incremental inclusion in current and future plans of the entire organisation.

The management of risk by implication is a managerial function, even so individual sections, departments and directorates differ in their exposure and reaction to risks and thus departments, sections and individuals form a vital part of the overall risk management process within the Municipality.

In our continuously changing governance environment it is imperative that Council remains updated on key changes and challenges and how these effect the operation of business in today's environment. This will not be achieved without an effective, efficient, soundly funded and managed risk strategy that seeks to maximise its impact on the organisation with minimum resources at its disposal.

National Treasury Public Sector Risk Management Framework affirms that no organisation has a luxury of functioning in a risk-free environment and public institutions are especially vulnerable to risk associated with fulfilling their mandates.

The table below indicate the top five risks within the Municipality:

Top Five Municipal Risks			
Risk no.	**Risk category**	**Risk description**	**Risk background**
1	Infrastructure and basic services	Ageing plant and equipment	Plant, transport and equipment are ageing No policy on replacement of vehicles Inadequate maintenance plan (lack of spare parts, replacement policy)
2	Good governance and public participation	Non-compliance with Occupational Health and Safety Act	Lack of accountability and responsibility by doctors and staff No schedules for inoculations and check ups Insufficient first aid training and first aiders
3	Financial viability and management	Inefficient revenue collection	No recovery plan in place Back log maintenance exacerbates the problem
4	Good governance and public participation	Poor records management	Non-compliance to archive policy Non disposal of old records

5	Infrastructure and basic services	Lack of bulk infrastructure	Incorrect allocation of funding to maintenance Poor refurbishment and replacement of current assets (water, pump stations sewage, storm water, electricity, Internal networks - water pipes) Lack of funding Lack of planning Lack of master plan in place No provision for capital reserve

2.4.2. Anti-corruption and Fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimise the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identifies supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the Accounting Officer must take steps to ensure mechanisms and separation of duties in supply chain management system to minimise the likelihood of corruption and fraud.
The Anti-corruption strategy and fraud prevention strategy are both approved on the 29 May 2015. Currently, there are no corrupt practices reported and therefore the employees seem to be aware of the section 3 contained in the Prevention and Combating of Corrupt Activities Act (No.12 of 2004).

2.4. 3. Supply Chain Management

No Supply Chain issues have been raised by the Auditor General which indicates that the Municipality had no major SCM implementation and execution issues.

2.4.4. Municipal By- Laws and Policies

POLICY LIST

FINANCE

NO.	POLICY NAME	STATUS OF POLICY	NEW NO.
1.	Procurement Policy	To be reviewed	F03
2.	Borrowing Policy	Adopted: 31 May 2016	F33
3.	Financial Code and By-laws	To be reviewed	F06
4.	Accounting Policy	To be reviewed	F07
5.	Tariff Policy	To be reviewed	F09
5.	Cash Management and Investment Policy	Adopted: 31 May 2016	F32
6.	Policy on Cheque Signing Authority	To be reviewed	F11
7.	Risk Management Policy	To be reviewed	F12
8.	Cost Control Functions for Votes	To be reviewed	F13

9.	Fleet and Asset Management Policy	Draft	F15
10	Funding & Reserves Policy	Adopted: 31 May 2016	F34
11.	Audit Committee Policy	Adopted: 29 May 2015	

HUMAN RESOURCES

1.	Bursary Policy (Internal and External)	To be reviewed	HR03
2.	Performance Management Policy for Section 56 & 57 Employees	Adopted: 29 May 2015	HR05
3.	Induction Policy	To be reviewed	HR06
4.	Staff Remuneration Policy	To be reviewed	HR09
5.	Retrenchment Policy	Adopted: 29 May 2015	HR11
6.	Usage of Official Vehicle Policy	Adopted: 29 May 2015	HR12
7.	Attendance and Punctuality Policy	To be reviewed	HR13
8.	Substance Abuse Policy	To be reviewed	HR14
9.	Rewards, Gifts and Favour Policy	To be reviewed	HR15
10.	Sexual Harassment Policy	Adopted: 29 May 2015	HR16
11.	Smoking Policy	To be reviewed	HR17
12.	Chronic Illness Policy	To be reviewed	HR18
13.	Human Resources: Standard Operational Procedure Policy	Adopted: 29 May 2015	HR19
14.	Grievance Policy	Adopted: 29 May 2015	HR20
15.	Entertainment Allowance Policy	To be reviewed	HR21
16.	Gratuity Payment Policy	To be reviewed	HR22
17.	Transport Policy and Operational Manual	To be reviewed	HR23
18.	Employment of Contractual and Temporary Employees and the Renewal of Employment Contracts Policy	Draft	HR24
19.	Procedures to be followed in instances where Employees are unable to attend work as a result of Imprisonment	Adopted: 29 May 2015	HR25
20.	Imposition of Sanctions at Disciplinary Hearings Policy	Adopted: 29 May 2015	HR26

21.	Employment Policy for HIV/Aids Candidates	Draft	HR27
22.	Occupation Health and Safety Policy	To be reviewed	HR28
23.	Rental Policy	To be drafted	HR29
24.	Employee Assistance Policy	Draft	HR30
25.	Policy on the forfeiture of payments, salary and benefits	Adopted: 29 May 2015	HR31
26.	Training and Skills Development Policy	Draft	HR32
27.	Essential User Car Scheme Policy	Adopted: 29 May 2015	HR33
28.	Funeral & Memorial Services Policy	Adopted: 29 May 2015	HR34
29.	Strike Policy	Pending	HR35
30.	Disciplinary Procedure and Code Collective Agreement	Draft	HR36
31.	Demotion, Promotion and Transfer Policy	Adopted: 29 May 2015	HR37
32.	Payment of Acting Allowance Policy	Adopted: 29 May 2015	HR38
33.	Long Service Award Policy	Draft	HR39
34.	Annual Review and Amendment to the Fixed and Temporary Staff Establishment of Kouga Municipality	Adopted: 29 May 2015	HR40
35.	Participation of non-Section 56 & 57 Employees in the Performance Management System	Adopted: 29 May 2015	HR41
36.	Service Delivery Standard Policy	Adopted: 29 May 2015	HR43
37.	Payment of Acting Allowances	Adopted: 29 May 2015	HR44
38.	Maintenance of Certificates of Fitness and Competences and other related post requirements	Adopted: 29 May 2015	HR45
39.	Acceptance and performance of Private Work Policy	Adopted: 29 May 2015	HR46

SOCIAL SERVICES

NO.	POLICY NAME	STATUS OF POLICY	NEW NO.
1.	Disaster Management Plan	Adopted: 29 May 2015	SD01
2.	Coastal Management Plan	Adopted: 29 May 2015	
3.	Hunting on Commonages	Draft	SD2
4.	Spaza / House Shops	Draft	
5.	Pauper and Social Burial Policy	Adopted: 29 May 2015	
6	Youth Policy	Adopted: 29 May 2015	

TOURISM

NO.	POLICY NAME	STATUS OF POLICY	NEW NO.
1.	Events & Entertainment Policy	Adopted: 29 May 2015	T01

ADMINISTRATION

NO.	POLICY NAME	STATUS OF POLICY	NEW NO.
1.	Standing Rules of Order	Adopted – 29 July 2016	A02
2.	Policy and Procedures for the Disposal of Immovable Capital Assets	To be reviewed	A06
3.	Public Participation Policy	Adopted: 29 May 2015	A07
4.	Anti-Corruption and Fraud Prevention Policy	Adopted: 29 May 2015	A09
5.	Policy on Legal Representation	To be reviewed	A10
6.	Policy on the Closure of Meetings and the Marking of Confidential Items	To be reviewed	A11
7.	Promotion to Access to Information Policy	To be reviewed	A13

8.	Records Management Policy	Adopted: 29 May 2015	A14
9.	Registry Manual	Draft	A16
10.	Policy on Municipal Honours	Draft	A17
11.	Policy on Ward Committees	Adopted: 29 May 2015	A18
12.	Policy of attendance of Workshops, Meetings and Conferences	To be reviewed	A19
13.	Catering Policy	To be reviewed	A20
14.	Communication Strategy	Draft	A21
15.	Language Policy	Draft	A22

2.4.5. Websites

2.4.6. Public satisfaction on municipal services

2.4.7. All Municipal Oversight Committees

Kouga Municipality is compliant to legislative requirements when it comes to Oversight Committees as the following Committees have been in existence and functional:

6 Portfolio Committees
Mayoral Committee
Municipal Public Accounts Committee
Kouga Audit Committee

2.4.7.1. Portfolio Committee

In terms of the Local Government: Municipal Structures Act, 1998, municipalities are required to establish section 79 committees which are expected to play an oversight role. Kouga Municipality has established 6 Portfolio Committees in line with the priorities identified by the Provincial Department of Local Government and Traditional Affairs and these are inter alia:

Finance, Administration, Monitoring & Evaluation Portfolio (FAME)
Portfolio Councillor: Clr V. Stuurman

Infrastructure, Planning & Development Portfolio – (IPD)
Portfolio Councillor: Clr P. Kota

Local Economic Development Portfolio (LED)
Portfolio Councillor: Clr P. Oliphant

Social Services Portfolio (SS)
Portfolio Councillor: Clr A. Maseti

Tourism & Creative Industries Portfolio(TC)
Portfolio Councillor: Clr V. Camealio-Benjamin

Special Programmes Portfolio (SP)
Portfolio Councillor: Clr B. Koerat

Portfolio Councillors are expected to present their Portfolio Committee's monthly reports and items and where there are matters of concern, it is addressed, whereafter the recommendations are tabled to the Mayoral Committee and the Council.

These committees play a pivotal role in ensuring that service delivery issues are addressed and assess the performance of their respective committees through monthly reports submitted by Directors. They also interrogate reports in getting clarities from responsible directors as they are expected to make recommendation to Mayoral Committee. Directors are accountable to these committees by submitting monthly reports and items for discussions.

The Mayoral Committee has delegated authority to made decisions, except for land, budget and personnel issues, which is referred to the Council for approval.

2.4.7.2. Executive Mayoral Committee

In this structure, the Municipal Manager accounts on items which are submitted by Directors. The Directors and the Municipal Manager discuss items and reports in the Top Management Meetings, chaired by the Municipal Manager. They also respond to questions and clarities. The Mayoral Committee is chaired by the Executive Mayor.

The Executive Mayor is responsible for the tabling of the budget, Integrated Development Plan (IDP), Service Delivery Budget Implementation Plan (SDBIP) and Annual Report hence it is important that the Portfolio Reports are discussed properly in the Mayoral Committee. The abovementioned documents are also presented by the Executive Mayor to the Municipal Council for approval. The final decision makers are the Municipal Council, which is led by the Speaker.

2.4.7.3. Municipal Public Accounts Committee (MPAC)

The MPAC is responsible to play an oversight role on the annual report so that they are able to develop an oversight report which is tabled with the annual report to the Municipal Council by the Mayor.

This structure is expected to interrogate the annual report and look at the performance of each directorate whereby they had to advise the Council if not happy with the results. Their role is to check whether the directorates are compliant to matters of service delivery.

Once the annual report is developed and the audit outcomes are available from the Auditor – General, the MPAC according to Municipal Finance Management Act (MFMA) is expected to call public meetings to give opportunity to the communities of Kouga to interact with the annual report. The report must be tabled to communities in giving account and the MPAC is expected to respond to issues raised by communities pertaining to the report.

Kouga Municipality was able to table its First Draft Annual Report on 31 August 2015.

The Second Draft Annual Report was tabled on 28 January 2016 and Final Annual Report was tabled on 29 March 2016. There are still areas that need to be improved, which is addressed in the Action Sheet that reflects in the Oversight report. In terms of meeting deadlines, Kouga is compliant.

2.4.7.4. Kouga Audit Committee

The Kouga Audit Committee was elected and re-elected on 29 May 2015. The following members were elected:

i) Mr. J. Blignaut - re-elected as Chairperson
ii) Mr. R. Coetzer - re-elected as Member
iii) Mr. D. Rosenberg - Newly appointed Member

Mr. R. Rosenberg resigned as member of the Kouga audit Committee and the Council elected Mr. M. de Bruin as Member of the Kouga Audit Committee on 29 March 2016.

The Kouga Audit Committee scrutinized the Auditor- General's report and raised issues that need to be addressed relating to financial statements. The Chairperson also raised issues relating to the Annual Report that required attention.

During the 2015/16 financial year, the Kouga Audit Committee had four (4) meetings, as required by the Municipal Finance Management Act.

24 August 2015
12 November 2015
6 April 2016
23 June 2016

Kouga Municipality is compliant to legislative requirements when it comes to Oversight Committees as the following Committees have been in existence and functional:

6 Portfolio Committees
Mayoral Committee
Municipal Public Accounts Committee
Kouga Audit Committee

MATTERS TO BE TAKEN COGNISANCE OF

AUDIT COMMITTEE MEETINGS:

- Audit Committee meetings were not well attended by the municipal manager or the Executive mayor. Audit committee meetings should be regarded as high priority items.

ITEMS THE AUDIT COMMITTEE REPORTS ON IN THIS REPORT:

- INTERNAL FINANCIAL CONTROL AND INTERNAL AUDIT
- RIKS MANAGEMENT
- ACCOUNTING POLICIES
- EFFECTIVE GOVERNANCE
- PERFORMANCE MANAGEMENT AND EVALUATION
- ADEQUACY AND RELIABILITY OF FINANCIAL REPORTING

- COMPLIANCE WITH LEGISLATION
- RESPONDING TO MATTERS RAISED IN THE AUDIT REPORT OF THE AUDITOR GENERAL
- REVIEW OF ANNUAL FINANCIAL STATEMENTS

1. INTERNAL FINANCIAL CONTROL AND INTERNAL AUDIT

Financial controls refer:

- Operational Expenditure (employee and related costs) was incurred in excess of approved budgets).
- Capital Expenditure was not fully achieved in line with approved budgets.
- Monies owing by the municipality were not always paid within 30 days.
- Reasonable steps were not taken to prevent or correct unauthorised expenditure, fruitless and wasteful expenses.
- Significant impairments of debtors are a clear indication of poor implementation of credit limits and debtor management.
- Debtor collections appear to be ineffective.
- Electricity losses remain an issue which requires attention.

The monthly budget reports prepared by the CFO are relevant, concise and user- friendly, enabling users to understand the financial position and performance.

We recommend stricter budgetary controls, a clear maintenance and asset replacement plan and stricter debtor collection policies to be implemented.

The internal Audit function is currently being outsourced to KPMG and seems to be effective despite the challenges related to an outsourced internal audit system. During the year under review the Internal Audit Charter and the internal audit plan reviewed and accepted.

Internal audit performed various reviews during the year under review including some follow up reviews. It has also updated the risk register and appears to be functioning effectively.

2. RISK MANAGEMENT

Internal audit has updated a Risk Management Plan.
The risks identified on the risk management plan require further action from the municipality in order to improve the control environment and the functioning of the internal control system, so that risks are mitigated or reduced to acceptable levels.

The municipality faces material financial and operational risks arising from constraint cash flows; ageing infrastructure and non- compliance with legislation and as a result significant contingent liabilities have been disclosed in the financial statements.

The fact that Performance Management System is not currently functioning as it should, and the fact that Performance targets do not seem to be aligned to the Integrated Development plan increases the risk that these risks will not receive the attention they deserve.

3. ACCOUNTING POLICIES

No significant changes in accounting policies were identified.

4. EFFECTIVE GOVERNANCE

Although compliance with governance requirements appear to have improved, certain weaknesses or areas of non-compliance have been identified.

Leadership by management lacked sufficient oversight, and the biggest issue was the performance management and review which did not take place. It does appear as-if there is a disconnect between the Integrated Development plan and Performance Targets, which we believe require greater alignment in order to achieve improved service delivery.

The following governance matters were either not addressed or only superficially touched on:

- ICT governance. An ICT structure and controls should be implemented.

5. PERFORMANCE MANAGEMENT AND EVALUATION

This function is defunct and requires contributions by all heads of departments and top down commitment from leadership in the municipality.

6. ADEQUACY AND RELIABILITY OF FINANCIAL REPORTING

The municipality appointed a well-qualified CFO during the year.
The municipality has also improved the reliability of financial reporting.
We wish to highlight the importance of retaining supporting evidence and records for any transaction and the continued focus on key controls to ensure the validity accuracy and completeness of financial reporting.

7. COMPLIANCE WITH LEGISLATION

Continued non- compliance with various legislations has occurred during the year.

We as an audit committee has recommended the establishment of a compliance register which should include all major Laws and compliance items together with deadlines and responsible parties. The register should be monitored by senior management.

8. RESPONDING TO MATTERS RAISED IN THE AUDIT REPORT OF THE AUDITOR - GENERAL

We have not had insight into the Audit report and therefore cannot comment.

9. REVIEW OF ANNUAL FINANCIAL STATEMENTS

We are yet to inspect the draft financial statements for the year ended 30 June 2016 and can therefore not comment on this.

CONCLUSION

Although the municipality has made great strides toward improved service delivery and accountability, there is still a lot of hard work, leadership and commitment required for the municipality to achieve the objectives of Batho Pele.

Of major concern is the fact that quarterly Performance Management and Review did not take place. This constitutes major Non Compliance with legislation by management. The Audit Committee will increase its focus on advising the Municipality with regard to compliance with laws and regulations and Risk management going forward.

The Kouga audit committee would like to thank the management of the Kouga Local Municipality, the representatives of internal audit and the office of the auditor-general for the good working relationship and positive atmosphere within which our meetings are being conducted.



J Blignaut
(CA(SA))
Chairperson
Kouga Audit Committee
1 August 2016

CHAPTER 3: BASIC SERVICE DELIVERY

3.1 Water Services

3.1.1 Water Services

The Constitution of South Africa assigns the responsibility of ensuring access to water services to Local Government. Furthermore, the Water Services Act entrusts the local municipality with provision of affordable, efficient, effective on-going water services which are sustainable.

The Directorate Infrastructure, Planning and Development envisages an area that is supported by an efficient and well-maintained service infrastructure network, which allows all citizens and stakeholders access to a growing base of innovative, safe, reliable and affordable services. Service delivery requires the provision of new services as well as the maintenance of existing services.

The Present Consumer Water Quantities Water are:

Table 1:

TOWN	RESIDENTIAL ERVEN	INSTITUTIONAL/COMMERCIAL/INDUSTRIAL	TOTAL
HUMANSDORP	6174	373	6547
JEFFREYS BAY	11204	1419	12623
ST. FRANCIS BAY	3456	48	3504
CAPE ST FRANCIS	810	3	813
OYSTER BAY	555	13	568
HANKEY	2674	84	2758
PATENSIE	784	67	851
LOERIE	471	13	484
THORNHILL	491	13	504
TOTAL			28652

Note: Source information: ACIP Water Conservation and Demand Management survey 2014/2015. Total erven is all registered cadastral erven, including audited vacant stands.

Key Stakeholders:
The Towns of Hankey and Patensie obtain raw water from the Kouga Dam via the canal system which is operated by the Gamtoos Irrigation Board on behalf of the Department of Water and Sanitation.

The towns of Loerie, Thornhill, Jeffreys Bay, Humansdorp and St Francis Bay obtain potable water from the Nelson Mandela Metro. The water supply of Jeffreys Bay and Humansdorp are augmented by underground water. The town of Oyster Bay is solely dependent on ground water obtained from boreholes and springs.

3.1.2 Level and Standard in Water Services
All the consumers within the Kouga Municipality receive water services at or above RDP standards. (access to communal water standpipe in informal areas within 200m distance) Based on the Service Level Policy of Kouga to provide higher level of service, a first order of assessment indicates that Kouga requires R77, 0 million to service and provide house connections to all residents in informal settlements once formalized (excluding Bulk). Our Regional Bulk Infrastructure Program for water services requirement is estimated to be R 616 million.

Kouga Municipality conform to the norms and standards of the Blue drop requirements with regards to water quality. Borehole water quality in Wavecrest Jeffreys Bay is also not within standards with regards to the presence of Iron and Manganese, and it remains a challenge that needs to be addressed. This has partially been address with funding from Department of Water and Sanitation through the ACIP (Accelerated Community Infrastructure Program), whereby exploration boreholes were drilled, existing boreholes refurbished and a trial pilot biological treatment plant was constructed at the Jeffreys Bay waterworks with the purpose to remove iron and manganese.

3.1.3 Annual Performance as per Key Performance Indicators

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to potable water	**100%**	**0**	**100%**	**100%**	**100%**
2	Percentage of indigent households with access to free basic potable water	**100%**	**0**	**100%**	**100%**	**100%**
3	Percentage of clinics with access to potable water	**100%**	**0**	**100%**	**100%**	**100%**
4	Percentage of schools with access to potable water	**100%**	**0**	**100%**	**100%**	**100%**
5	Percentage of households in formal settlements using buckets	**100%**	**0**	**100%**	**100%**	**100%**

Figures reflected above refers to all registered cadastral erven, excluding informal settlements

3.1.4 Major Challenges in Water Services and Remedial Actions

The development of a long term water provision master plan with reference to the upgrading and rehabilitation of Bulk Infrastructure. A consultant need to be appointed to prepare the Master Plan.

To establish and conclude contracts and service level agreement with all appropriate service delivery role-players, i.e. Bulk Water Suppliers. Negotiations with Gamtoos Irrigation Board and the NMBM are underway with reference to the supply of bulk water.
The appointment of suitability trained and qualified artisans and plumbers.

Curbing of water losses due to ageing infrastructure (pipe breaks and leaks) and challenges with billing data.

Provision of funding to replace aging water pipes and fittings.

The successful removal of dissolve Iron and Manganese in groundwater to within the SANS limits, still remains an on-going challenge, especially in Upper Wavecrest.

3.2 Electricity Services

3.2.1 Electricity Services Delivery Strategy and Main Role-Players

The Kouga Municipality is the registered Supply Authority for the towns of Humansdorp, Jeffrey's Bay, St Francis Bay, Cape St Francis and Oyster Bay, where at each town a bulk supply is taken from the Eskom grid.

The Municipality's role is to construct, operate, and maintain the distribution network for electricity service delivery to residential, commercial and industrial consumers in each township, which includes street lighting and supplying pump stations, etc. Hankey, Patensie, Loerie and Thornhill also fall within the municipal boundaries, but consumers in the first three (3) towns are serviced with electricity by Eskom, and Thornhill by the Nelson Mandela Municipality

THE PRESENT CONSUMER QUANTITIES FOR ELECTRICTY ARE:

Town	Consumers	Institutional/Commercial/ Industrial	Total
Humansdorp	6313	373	6686
Jeffreys Bay	9890	625	10515
St Francis Bay	2020	93	2113
Cape St Francis	507	7	514
Oyster Bay	406	10	416
Total	19136	1108	20244

Note: Total excludes vacant erven.

The key factors in the service delivery strategies are to maintain a high standard of service and to ensure that electricity is available to all commercial properties, households (both formal and informal) and new development within acceptable norms. In order to reduce the financial burden on consumers, particularly in terms of

the capital requirements for new distribution networks, applications are made to all relevant institutions for financial assistance in a well-planned manner.

3.2.2 Level and Standards in Electricity Services

The aim is for the levels and standards for the provision of the electricity services to be in compliance with the requirement of the National Electricity Regulator (NER) and the quality of service and supply standards of NRS 047 & 048. Annual reports in this regard have to be submitted to the NER based on information obtain from data loggers installed at various locations in the network.

Electricity is made available to all potential consumers in the areas for which the Municipality has a supply license. The target is revised annually in accordance with the demand and the necessary steps are taken to timeously complete the work.

This includes applications to the Department of Energy (DoE) to obtain the necessary funding for both electricity and infrastructure upgrade. MIG funding is used for the provision of area / street lighting in low cost housing areas.

During 2015/2016 the Department of Energy allocated Kouga Municipality funding amounting to R 4,1m for the electrification of houses. A total of 419 erven are in the process of being electrified during 2015/2016 in the following areas.

- Pellsrus = 220 erven
- Oceanview = 199 erven
-

Due to the delay in the finalization of the beneficiary list the project could not be completed and an application for roll-over of funds has been submitted, to National Treasury for consideration.

3.2.3 Annual Performance as per Key Performance Indicator in Electricity Services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	**100%**	**419 #**	**419 #**	**419 #**	**100%**
2	Percentage of indigent households with access to basic electricity services	**100%**	**Nil**	**100%**	**100%**	**100%**
3	Percentage of indigent households with access to free alternative energy sources	**100%**	**Nil**	**100%**	**100%**	**100%**

Project in progress

3.2.4 Major Challenges in Electricity Services and Remedial Actions

Upgrade of infrastructure (primary network) to meet demand and finding the necessary funds through grants etc.)
Improve quality of supply and general service delivery.
The prevention of tampering and illegal connection.
Training and capacitation of staff.
Appointment and retaining qualified personal.
Ageing vehicles and equipment

Remedial Action

Master planning and stringent programs to implement measures.

Review of augmentation levy (contribution by new developments and existing consumers requiring upgrading of their supplies to augment the primary network) and consumption tariffs to meet capital program to upgrade infrastructure.
Appoint additional staff to monitor quality supply and level of services, and enforce methods to rectify and deficiencies.
Staff to attend more training courses to improve in-house training, particularly on safety aspects.
Provide incentives to maintain qualified personal.
Provide service provider to prevent tampering.

3.3 Sanitation

3.3.1 Sanitation Service Delivery Strategy and Main Role Players

The policy of Kouga LM, adopted during 2015, that the minimum acceptable standard for sanitation services will be a waterborne system in all areas.

Due to the limited own capital funded projects, Bulk Infrastructure rehabilitation is only performed when it is triggered by housing developments.

The main funding role players in the provision of Bulk Sanitation Services are the Department of Human Settlements and the Municipal Infrastructure Grant. Funding was made available by the Department of Human Settlements since the 2014/2015 financial year for various bulk sewer related infrastructure projects with the main aim to un-block housing projects. Total funding allocated by Department of Human Settlements for bulk sewer projects since 2014-15 amounts to R 62,608,958-00. These projects included the following:

- Upgrading of Apiesdraai sewage pump station and rising main. Certificate of completion was issued on 4 February 2016.
- Upgrading of sewage pump stations: La Mer, Duineweg, Trevor Manual in Jeffreys Bay. Project completed 2014/2015.
- Upgrade of Hankey Waste Water Treatment Works. Practical completion issued October 2015.
- Upgrade of Hankey main sewage pump station. Practical completion issued July 2015.
- Upgrading of Patensie Waste Water Treatment Works. Work still in progress/dispute with contractor.
- Constructions of new sewage pump station, gravity and rising main in Patensie. Practical completion issued 9 December 2015.

The majority of MIG (Municipal Infrastructure Grand) funds were allocated to sewer related projects during the 2015/2016 year. These projects included the following:

- Upgrade of Kruisfontein Waste Water Treatment Works (2015-2017 project implementation life span). R 12, 052, 923.50 MIG allocation for 2015/2016.
- Patensie: Ramaphosa Village: Replacement of Digesters with Waterborne Sanitation. An amount of R 12, 818, 076.50 was allocated for the 2015/2016 financial year from MIG

Internal reticulation in all areas that is currently serviced by conservancy tanks, needs to be addressed in future because of the increase in volume and the pressure on suction tanker services it brings during the peak holiday season.

A tender was awarded during September 2015 for the appointment of a contractor to connect approximately 190 houses in Upper Wavecrest to the waterborne network. The total cost of this project is R 6,255m. This contract is currently being implemented and is due for completion by December 2016.

The backlog that presently exists at all Kouga Waste Water Treatment Plants in terms of over capacitation and ageing Infrastructure, is 10,5 Ml/day.

We are currently in the process of developing a Sewer Master Plan for the Humansdorp area. It is envisaged that this project will be completed during the 2016/2017 financial year.

3.3.2 Levels and Standards in Sanitation Services

Four (4) levels of sanitation services are provided i.e. buckets only for the informal housing areas, 60% full waterborne, 37,1% with septic tanks/conservancy tanks and the next is digesters and or VIP's.

The following table sets out the current situation regarding sanitation within the Kouga Local Municipality.

TOWN	TYPE							
	Bucket	Conservancy tank	Chemical toilets	Pit latrine	Septic tank	Small bore	VIP	Water borne
Cape St Francis/ St Francis Bay	540	3532	18	-	-	-	-	785
Hankey	439	837	0	-	-	-	420	1501
Humansdorp	1112	939	36	-	-	-	-	5608
Jeffrey's Bay	787	3340	26	-	539	-	-	8744
Loerie	260	12	5	-		150	-	334
Oyster Bay	117	100	7	-	468	-	-	-
Patensie	470	802	29	-	49	-	-	-
Thornhill	160	0	8	-	-	-	-	504
Total	3885	9562	129	-	1056	150	420	17476

Note: Buckets and Chemical toilets serve informal settlements

3.3.3 Annual Performance as per Key Performance Indicators in Sanitation

The goal of the Municipality is to provide all consumer units with a full flush form of sanitation. As can be seen from the above table, 17476 of the consumer units are already serviced with full waterborne/small bore sanitation, and 10618 being served by septic/conservancy tanks.

As indicated earlier, all the projects being implemented and planned in the Municipality are geared to achieving the above goal.

One of the greatest challenges for the Kouga LM has been to ensure that a sustainable form of surface/groundwater can be developed to ensure that this higher level of sanitation be provided

3.3.4 Annual Performance as per Key Performance Indicators in Sanitation

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	**100%**	**Nil%**	**100%**	**100%**	**100%**
2	Percentage of indigent households with access to free basic sanitation services	**100%**	**Nil**	**100%**	**100%**	**100%**
3	Percentage of clinics with access to sanitation services	**100%**	**Nil**	**100%**	**100%**	**100%**
4	Percentage of schools with access to sanitation services	**100%**	**Nil**	**100%**	**100%**	**100%**

Figures reflected above refers to formal registered cadastral erven.

3.3.5 Challenges

Replacement of households making use of conservancy tanks with full waterborne reticulation.
Upgrade of sewer pump stations and rising mains to increase capacity.
Provide standby generators at all sewer plants and pump stations.
Replacement of aging vehicle fleet, especially suction tankers.
Appointment of qualified process controllers and plumbers.
Development of sewer master plan for each town in Kouga.

3.4 Roads

3.4.1 Roads Maintenance Service Delivery Strategy and Main Role Players

The road network within Kouga falls under the jurisdiction of the following authorities:

(1) The South African National Roads Agency Limited (SANRAL), which is responsible for the National Route 2, which traverses the Kouga municipal area.
(2) The Eastern Cape Department of Roads, which is responsible for provincial trunk, main and district roads within the municipal area.
(3) The Kouga Municipality is responsible for all municipal roads.

TABLE 1: Road network in Kouga Municipality

Road Authority	Length (km)
SANRAL (N2)	68,97 km
Eastern Cape Department of roads	915,31 km
Kouga Municipality	402,5 km
Total	1 386,78 km

3.4.2 Levels and Standard in Roads Maintenance Services

The condition of roads in the Greater Kouga Municipal area has deteriorated rapidly over the past few years due to aging of the infrastructure, increase traffic volumes, lack of sufficient funding for maintenance and the impact of floods which have occurred over the past few years.

The standard of roads maintenance in all areas in the Kouga is the same whether it re-gravelling or resealing or pothole repair. Due to the lack of a pavement management system, visual inspection of tarred roads is performed to prioritize the reseal of tarred roads in all wards. Low level access to road maintenance services are done through complaints register kept at each Administrative Unit. High level access is accommodated through community participation at budget meetings.

The various levels and standards of the road network under the jurisdiction of the Municipality are reflected in the table below.

TABLE 1: Road network under jurisdiction of Kouga Municipality

Road Type	Length (km)
Tar	307,3 km
Concrete	0,2 km
Block paving	7,5 km
Gravel	87,50 km
Total	402,5 km

3.4.3 Annual Performance Service as per Key Performances Indicators in Sanitation

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	Nil	87, 5 km	Nil	Nil	Nil

2	Percentage of road infrastructure requiring upgrade	21,74%	87, 5 km	Nil	Nil	Nil
3	Percentage of planned new road infrastructure actually constructed	Nil	87, 5 km	Nil	Nil	Nil
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	Nil	R 380,0 m	Nil	Nil	Nil

During the 2015/2016 financial year funding amounting to R 1,798,550-00 was provide for the resealing of surfaced roads on the Operating budget. A total of 61 426 m² of resealing of roads was done during 2015/2016.

A Storm Water Master Plan was developed for the entire Kouga area by a professional service provider, which was funded through MISA. The Storm water master plan was adopted by Council on 29 May 2015 (Council resolution 15/5/IPD11).

The Kouga Roads Forum is functional and meets on a six weekly basis. The forum is chaired by the Portfolio Councillor for Infrastructure, Planning and Development, while secretarial support is provided by the Provincial Department of Public Works and Roads.

3.4.4 Major Challenges in Road Maintenance and Remedial Actions

Like the vast majority of local authorities throughout our country, road repair and maintenance remains a challenge due to budgetary constraints, terrain, aging road and storm water infrastructure, poor sub-surface conditions, and ever increasing traffic volumes.

The absence of a road pavement management system to assess and classify roads according to their remaining life span on a scientific basis has not been concluded. We therefore do not possess the information to do strategic future planning with reference to timeous identification of road maintenance.

Limit funding for routine road maintenance and rehabilitation.
No funding for the implementation of capital projects relating to surfacing of roads and installation of storm water infrastructure.

3.4.5 Backlogs

The construction and surfacing of gravel roads (backlog) is approximately 87, 5 km. It is anticipated that an estimated amount of R 380, 0 m will be required for the elimination of this backlog.

For the 2015/16 financial year no capital funding was allocated for the construction of new roads or tarring of gravel roads or the upgrading and/or provision of storm water infrastructure.

3.5 Housing

3.5.1 Housing Delivery Strategy and Main Role-Players

The Department of Human Settlements funded various bulk Water and Sanitation infrastructure projects with the aim of un-blocking housing projects in Patensie, Hankey and Jeffreys Bay.

The Department of Human Settlements also commenced with the procurement process for the installation of services and construction of top structures for the Pellsrus 220 and Kruisfontein 391 projects, during the last semester of the 2014-2015 financial year.

The Municipality was granted developer status in 2009 by the Provincial Department of Human Settlement of the Province of the Eastern Cape to implement projects in most of its administrative towns. The projects are as follows:

- Pellsrus 220
- Oceanview 1500
- Kwanomzamo 400
- Kruisfontein 2500
- Sea Vista 2000
- Hankey 990
- Patensie 278
- Thornhill 390
- Weston 196

Kouga Municipality resolved (14/03/IPD32 dated 30 May 2014) to hand back developer status for 5 projects to the Department of Human Settlements

Such status gives a clear mandate to the municipality to identify, plan, implement, and construct sustainable and integrated human settlements in an effective and efficient manner.

The most important key factor in the human settlement delivery strategy is to provide an adequate and quality house that is linked to water, sewerage and electrical connection with proper access roads as defined in the National Housing Code of 2009.

3.5.2 Levels and Standards in Housing Services

The objective of the levels and standards for the provision of sustainable and integrated human settlements is to be fully in compliance with the minimum norms and standards as outlined in the provisions of the National Housing Code of 2009.

It spells out the minimum standard that a municipality may use for the connection and installation of internal reticulated infrastructure for subsidised housing.

Quality control is also monitored internally by the building control section as well as by the National Home Builders Regulatory Council (NHBRC).

The target set for the implementation of projects was not met due to a lack of adequate bulk infrastructure. A financial injection of approximately R114 m was committed from the Provincial Offices of Human Settlements to ensure the unblocking of the challenges that was delaying the implementation of most of the projects. The bulk of the funding that was acquired will be used to unblock projects in Patensie, Hankey, Pellsrus and Ocean View

3.5.3 Annual Performance as per Key Performance Indicators in Human Settlements Services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (Actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households living in informal settlements	**100%**	**13000**	**0**	**Application was submitted and waiting for funding approval**	**0%**
2	Percentage of informal settlements that have been provided with basic services	**100%**	**9779**	**550**	**550**	**100%**
3	Percentage of households in formal housing that conforms to the minimum building standards for residential houses	**100%**	**9779**	**2111** **(a)**	**0**	**0%**
4	Existence of an effective indigent policy	**In place adopted and approved 30/05/2014**				
5	Existence of an approved SDF	**The SDF was review and adopted by Council on 25 May 2015 under Resolution 15/5/IPD15**				
6	Existence of Land Use Management System (LUMS)	**Yes, draft by laws adopted 12/11/2015**				

NB 550 erven reflects formalization of erven in Pola Park/Shukushukuma Oyster Bay, Thornhill, and Tokyo Sexwale

3.5.4 Major Challenges in Human Settlement and Remedial Actions

Internal shortcomings to achieve municipal housing accreditation
Influx and migration patterns.

Current and growing bulk limitations to promote and implement human settlements as well as the formalisation of informal settlements and the lack of a bulk master plan.

Shortage of suitable land to establish new settlements for the growing backlogs.
The municipality is in the process to address the shortcomings that were outlined in the recommendations of the Provincial Department.

Policies, by-laws and the review of the Spatial Development Framework are in the process to be drafted.

The municipality should engage COGTA on how and when these programmes will be reviewed and consolidated to allow municipalities to achieve maximum benefits.

The municipality to undertake a comprehensive integrated master plan for bulk water supply, bulk sewerage, upgrading of treatment plants, storm water, access roads, electricity, waste disposal.

3.1 Spatial Planning

3.6.1 Preparation and Approval Process of Spatial Development Framework (SDF)

The Spatial Development Framework was review during 2014/2015 and was adopted by Council on 29 May 2015 under resolution 15/5/IPD15. Urban Dynamics (Eastern Cape) was appointed by the Department of Rural Development & Land Reform for the revision of the SDF. The milestone dates for the review of the SDF was:

- Draft SDF was advertised for public comment 1 April 2015.
- Draft SDF public comment period closed on 27 April 2015.
- Public consultation meetings were be held during May 2015
- Approval by Council – 29 May 2015 Council resolution 15/5/IPD1

The main objective of the project was to create a credible SDF that meets the required standards as set by the Eastern Cape Provincial Government through the implementation of the Comprehensive SDF Guidelines developed by Department of Rural Development & Land Reform in 2010.

3.6.2. Integrated Land Use Scheme (LLUS)

The Department of Rural Development and Land Reform appointed Urban Dynamics (Eastern Cape) establish an Integrated Land Use Scheme (ILUS) and the finalization and implementation by Council of this Scheme is estimated to be September 2015.

The main objective is to create an Integrated Land Use Scheme that will replace the various existing schemes and other applicable development plans. The ILUS should fit within the current legislative framework, in particular the provisions of the Spatial Planning and Land Use Management Act, (Act 16 of 2013). It must also fit within the policy parameters established by the Provincial Government in the Eastern Cape, the Eastern Cape Spatial Development Plan and the Kouga Spatial Development Framework

3.6.3. Land Use Management

All Land Use Management is done in accordance with legislation requirements (e.g. Building Standard Act, Land Use Planning Ordinance, Zoning Scheme Regulations, Municipal By-laws and other applicable legislation).

The following Land Use Management approvals have been dealt with in terms of said legislation in:

	2014/2015	2015/2016
Rezonings	24	13
Subdivisions	28	14
Consent Uses	25	4
Removal of restrictive conditions	18	7
Departures	10	39
Occupational Practice	9	5
Number of building plans approved	769	716
Value of building plans approved	R 588,718,500-00	R 513,383,000-00

3.6.4. Spatial Planning & Land Use Management Act (SPLUMA)(Act 16 Of 2013)

- The Spatial Planning and land Use Management Act, Act 16 of 2013 (SPLUMA) was assented by the President on 2 August 2013 and Gazetted on 5 August 2013.
- The Spatial Planning & Land Use management draft Regulations was published on 4 July 2014, for public comments and had to be submitted on or before 4 September 2014 to:
- SPLUMA makes provision for a Municipality to constitute a Municipal Planning Tribunal either on its own or a Joint Municipal Planning Tribunal in conjunction with other Municipalities/District Municipality. Kouga Municipality will establish it's own tribunal
- SPLUMA By-laws approved by Council on 18 December 2015 Council Resolution 15/12/IPD7.
- SPLUMA By-laws were published in the Provincial Gazette No3609 on 4/03/2016.
- Advert for *"Request for nominations to serve on the Kouga Municipal Planning Tribunal as per the Spatial Land Use and Management Act 16 of 2013(SPLUMA)"*, was advertised under Notice no 11/2016 on 4 Feb 2016.
- Closing date for nominations is Friday 26 February 2016.
- Shortlisting for members of the Tribunal is completed and presented to Council for endorsement. Establishment of Municipal Tribunal was still not finalized by the end of the 2015/2016 financial year.
- It is envisaged that the Tribunal will be up and running by the last quarter of 2016.

3.6.5 Levels and Standards in Spatial Planning

3.6.6. Major Challenges in Spatial Planning and Remedial Actions

The Spatial Planning and Land Use Management Act ("SPLUMA") emerged through the Green Paper and White Paper processes to replace the DFA as the legislative instrument to regulate Spatial Planning and Land Use Management in the country.

Establishment of Municipal Planning Tribunal (MPT) as required by SPLUMA ACT is still outstanding as at 30 June 2016.

3.7. Overall Service Delivery Backlogs

During the 2015/2016 financial year Council embarked on a programme to formalize informal settlement areas.

Environmental Authorization for housing developments was applied for and the following Authorizations were granted by the Department of Economic Development, Tourism and Environmental Affairs:

1) Weston Housing Project: On erven 17,1480 and 1508: (EC08/C/LN1&3/16-2015), authorization the construction of 176 residential units on 25 February 2016
2) Arcadia Housing Project: (EC08/C/LN1&3/M/22-2015), Environmental Authorization was issued on 30 March 2016.
3) Formal tender procurement process was follow to appoint a Professional Service Provider to formalize the follow areas.

- Thornhill Erf 448 Ptn 1&2
- Loerie Erf 439 Ptn 26

The formalization programme also commenced in Thornhill during the latter part of 2015, whereby 113 erven will be formalized. Pegging of sites commenced during April 2015 and 85% of erf beacons have been placed by end June 2015.

3.7.1. Overall Service Delivery Backlogs (Formal housing not informal housing)

Basic service delivery area	30 June 2015			30 June 2016		
Water backlogs (6KL/month)	Required	Budgeted	Actual	Required	Budgeted	Actual
Backlogs to be eliminated (no. HH not receiving the minimum standard service)	NIL	NIL	NIL	NIL	NIL	NIL
Backlogs to be eliminated (%: total HH identified as backlog/total number of HH in the municipality	NIL	NIL	NIL	NIL	NIL	NIL
Spending on new infra-structure to eliminate backlogs (R000)	R 80 000	R 36 326	R 36 623	R 47 604	R 13 902	R 13 902
Spending on renewal of existing infrastructure to eliminate backlog (R000)	R 150 000	R 18 756	R 18 756	R 143 055	R 8 514	R 8 514
Total spending to eliminate backlogs (R000)	R 230 000	R 55 082	R 55 082	R 190 659	R 22 416	R 22 416
Spending on maintenance to ensure no new backlogs (R000)	R 10 719	R 4 180	R 4 180	R 11 576	R 4 349	R 4 349
Sanitation backlogs						
Backlogs to be eliminated (n0. HH not receiving the minimum standard service)	NIL	NIL	NIL	NIL	NIL	NIL

Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality	NIL	NIL	NIL	NIL	NIL	NIL
Spending on new infrastructure to eliminate backlogs (R000)	R 249 920	R 24 028	R 24 028	R 225 892	R 27 814	R 27 814
Spending on renewal of existing infrastructure to eliminate backlog (R000)	R 136 080	R 20 481	R 20 481	R 126 002	R 27 814	R 27 814
Total spending to eliminate backlogs (R000)	R 386 000	R 44 509	R 44 509	R 351 894	R 55 628	R 55 628
Spending on maintenance to ensure no new backlogs (R000)	R 6 983	R 3 570	R 3 570	R 7 611	R 5 070	R 5 070
Road maintenance backlogs						
Backlogs to be eliminated (no. HH not receiving the minimum standard service)	NIL	NIL	NIL	NIL	NIL	NIL
Backlogs to be eliminated (%: total HH identified as backlog/total numb of HH in the municipality	NIL	NIL	NIL	NIL	NIL	NIL
Spending on new infra-structure to eliminate backlogs(R00	R 380 000	NIL	NIL	R 414 200	NIL	NIL
Spending on renewal of	R 283 500	NIL	NIL	R 309 015	NIL	NIL

existing infrastructure to eliminate backlog (R000)						
Total spending to eliminate backlogs (R000)	**R 663 500**	**NIL**	**NIL**	**R 723 215**	**NIL**	**NIL**
Spending on maintenance to ensure no new backlogs (R000)	**R 12 243**	**R 4 447**	**R 4 447**	**R 13 344**	**R 4 575**	**R 4 575**

3.8. SOLID WASTE & ENVIRONMENTAL MANAGEMENT

Overview

Includes all activities relating to the management and control of landfill sites, illegally dumping and Environmental Management (Solid Waste and Environmental Management).

The function includes the following activities:

- Rehabilitation, Operation and Maintenance of Waste and Landfill Sites Facilities.
- Removal of illegally dumping
- Coastal Management
- Management of a Blue Flag Beach
- Environmental Controls

The strategic objectives of this function are all the communities of Kouga Municipality to live in a clean environment that is maintained and managed in a suitable manner by 2016.

Key issues for 2015/16

- Kouga Municipality was awarded again with a full Blue Flag status for 2015/16 for Dolphin Beach
- The process for piloting Blue Flag status in Cape St Francis has commenced during 2015/16 festive season and is ongoing until full Blue Flag status is achieved.
- The municipality has started with the Youth Training in lifesaving from June (for the period of 6 months).
- The Municipality was again awarded with Coast Care programme and was funded the Department of Environmental Affairs National for the period of 6 months (November 2015 – April 2016), 66 EPWP's were appointed in all Coastal Wards.
- In March 2015 the project of the EC Kouga Waste and Recycling (funded by the Department of Environmental Affairs National for the period of 2 years) was commenced on both Sites (Humansdorp and Hankey) and still in progress 240 EPWP's were appointed in ward 15, 9 and 13.

- Youth jobs in waste programme was renewed and 9 officials and 39 EPWP's were appointed in various wards to assist in Solid Waste and Environmental Management funded by Environmental Affairs National.
- In 2015 the Department of Solid Waste has purchases 30 skip bins for the control of illegal dumping and were distributed amongst the following wards: Ward -1,2,4,5,6,7,9,10,12,13,14 and 15

3.8.1. Stakeholder Involved in this Department

The stakeholders that involved in Solid Waste department are:

1. Beach Committee that consist of – Residence
   APD
   Environmental Affairs
   Municipal Officials
2. Project Advisory Committee (Coast Care) – Implementer
   Project Manager
   (Environmental Affairs)
   Councillors
   Municipal Officials
3. Project Advisory Committee (Waste) - Implementer
   Project Manager
   (Environmental Affairs)
   Main Contractor
   Engineers
   Municipal Officials

Analysis of function

Number and cost personnel association with Solid Waste and Environmental Management

INDICATOR NAME	TOTAL NUMBER OF PEOPLE (planned for) during the year under review	FILLED POST	VACANT	ACHIEVED PERCENTAGE DURING THE YEAR	COMMENTS ON THE GAP
1 .Manager Solid Waste and environmental Management	1	1	1	0	Solid Waste Department and Environmental Management has been operating with transferred staff and seconded staff from Dept.. of Environmental affairs
2. Waste Officer, Environmental Controller and Foremen's.	1 1 1	0 0 0	0 0 0	0	

3.Caretakers	4	1	3	0	
4.Drives and General Workers	5 Drivers and 17 General Workers	4 Drivers 0	1 0	0	
5.Beach Coordinator	Contract Worker	0	0	0	
6.Life Savers	5 Contract Workers	5	0	0	

Critical Unbudgeted Posts

1. Weighbridge Operator X2 (Humansdorp and Hankey Sites)

Manager Solid Waste and Environmental Management	**KPA's**
	Rehabilitation, Operation and Maintained of Waste and Landfill facilities
	Control of Illegal Dumping
	Coastal Management
	Environmental Controls
	Blue Flag / Beaches

3.8.2. Waste Disposal Facilities

Waste Site	Service Areas	Licensed	Compliant To Permit	Infrastructure & Other backlogs	%
Humansdorp	Jeffrey's Bay, St Francis Bay, Humansdorp	Yes, Council assisted by Consultants Kv3	80%	Material Recovery Facilities (MRF) e.g. Bailing Machines, Concrete Floors, Covering of Structure.	
				Weighbridge (Achieved)	100%
			60%	Waste Minimization Processes	
				Fencing and Security (Achieved)	100%
			80%	Suitable qualified/ specialists staff	
Hankey	Hankey	Yes	50%	Electronic Information System (Slab only)	
			60%	Waste Minimization Processes	
				Security Fencing (Achieved)	100%
			80%	Suitable qualified/ specialists staff	
St Francis	St Francis	No		Permit for closure issued.	100%
Oyster Bay	Oyster Bay Transfer Station	No	20%	Security Fencing (Availability and provision of skip bins)	
Patensie	Patensie	Yes (Closure Permit has been received July 2014)		Development of Transfer Station (Budgeted for 2016/2017)	

3.8.3. Total Projects

Objectives	Strategy	ID No	Project Description	Project In	Department	Ward	GFS	Three Year Budget Cycle 2015/16
Fencing of Regional Waste site at Humansdorp.	By putting up of fence in Hankey site.		By adhering to the regulations.	Implementation of regulations.	Social Services		Legal Compliance	Achieved R1 260 000
Fencing of Hankey Site,	Putting up of fence in Hankey site.		By Adhering to the regulations.	Implementation of regulations.	Social Services		Legal Compliance.	Achieved R1 260 000
Construction of Weighbridge at Regional landfill site.	Construction of a weighbridge.		Construction of a weighbridge at Regional landfill site.	Tariffs not yet implemented.	Social Services		Access control.	Achieved R950 000
Rehabilitation of existing landfill sites.	Rehabilitation in ST Francis Site.		Phase 2 of the rehabilitation on St. Francis site.	Closure of a site.	Social Services			R1 008 000
Construction of waste transfer stations.	Developing of new transfer station in Jeffery's Bay, St. Francis and Patensie.		Development of a new transfer station.	Planning and Implementation.	Social Services		Waste Management and control.	R4 500 000 x 3 Areas.
To provide safe and clean environmental, use friendly beaches for Kouga Public.	By adhering to principles of Blue Flag requirements		Provision of infrastructure and staff for coast care and management. Cleansing and rehabilitation of coasts and dunes.	Construction and renovations of infrastructure, ablution facilities and staff appointment. Cleansing along the beaches and estuaries.	Social Services Social Services	Coastal Areas. Public Safety.	Public Safety.	R10 500 000 **(2015/16 Cycle funded by the Dept.. Environmental Affairs) 2 ½ cycle to be completed 2017**

Note: Funding received for fencing projects during 2015/2016 amounted to R25m. Still in progress and to be completed in 2016 financial year – rollover.

3.8.4. Challenges and Possible Solutions

Challenges	Possible Solutions
1. Shortage of staff	Review current organizational structure with the view to endorse the principle of structure follow policy.
2. None compliance of Landfill Sites	80% has been achieved through EC Kouga Waste Management and Recycling (25 000 000 Million Budget from the Department of Environmental Affairs)
3. Illegally dumping	Four Awareness Educators have been appointed on contract to campaign and educate the community about health risks of illegal dumpings and other relevant issues.
4. Plant and Equipment	The Solid Waste Department has been operating without the equipment since September 2015 till to date. Provision to be made available to buy new Plant and Equipment in 2016/17 budget.

Note: Upgrading of land fill sites will require the appointment of Weighbridge Operator – 2016/2017

3.9. CLEANSING & PARKS

3.9.1. REFUSE COLLECTION

Overview

The planning, organizing, control and alignment of all refuse collection and transportation services that provides for specific waste management measures and norms and standards.

Strategic objectives

Communities live in a clean environment that is maintained and managed in a sustainable manner.

3.9.2. Description of activities

The refuse collection functions of the municipality are administered as follows and include:

- **Waste Avoidance**

  In conjunction with business influence production strategy that produce rather those products that could re-use

  Waste Profile

  Waste Generation Quantities

  In order for municipalities to be able to plan for future waste management activities the types and volumes of waste generated in the area needs to be

identified. The South Africa State of Environmental Report, 2006 (SOER) calculated waste generation volumes per income level as follows:

- Low income 0.41 kg/ person/ day = 149.65 kg/ person/ year.
- Middle income 0.74 kg/ person/ day = 270.1 kg/ person/ year.
- High income 1.29 kg/ person/ day = 470.85 kg/ person/ year.

The SOER figures for waste generation are also used in the Department of Environmental Affairs Guideline for the Development of Integrated Waste Management Plans (IWMPs). The DEA IWMP guideline also presents the following income brackets:

- Low income R 0 – R 74,999 per year.
- Middle income R 75,000 – R 999,000 per year.
- High income R 1 million + per year.

The following table summarises the average household income of the KLM. It is assumed that that the numbers of people residing in high, middle and low income households are the same.

Table 1: Summary of household income in the KLM

INCOME GROUP	INCOME	PERCENTAGE	NUMBER OF PERSONS
Low	None income	28.07	26116.3
	R1 - R4,800	3.03	2818.4
	R4,801 - R9,600	3.54	3293.2
	R9,601 - R19,600	13.70	12743.6
	R19,601 - R38,200	6.71	6239.8
	R38,201 - R76,4000	39.03	36316.5
Middle	R76,401 - R153,800	3.03	2817.5
	R153,801 - R307,600	1.96	1822.5
	R307,601 - R614,400	0.61	564.6
	R614,001 - R1,228,800	0.16	153.2
High	R1,228,801 - R2,457,600	0.10	95.7
	R2,457,601+	0.06	59.1

Based on these assumptions the population of KLM per income bracket is as follows:

- Low income: 94.8 %
- Middle income: 5.76 %
- High income: 0.17 %

Based on the number of persons per income bracket it is estimated that 40.1 tonnes of waste per day is produced in KLM. Based on the calculation of 40.1 tonnes of household waste per day it is estimated that 14,618.56 tonnes of waste are generated annually in the KLM.

Estimated Future Generation Quantities

Predictions on future waste generation quantities are dependent on population growth, the extent of collections and any changes in economic landscape of the KLM. The population size of the KLM increased by 3.22% between the periods 2001 and 2011, from 71,390 in 2001 to 98,558 in 2011 likely due to migration to find work or educational opportunities (Stats SA, 2013). Considering these factors, as well as the fact that significant economic changes are unlikely in the short to medium term, it is likely that the amount of solid waste generated in the KLM will increase by roughly 2-5% over the next 5-10 years.

Note: All the calculations and information stated above is derived from the Integrated Waste Management Plan (IWMP) review.

3.9.3. Waste Stream Composition

A waste characterisation exercise was undertaken for the KLM. The following sections describe how the characterisation was undertaken and the results.

Methodology

Waste was surveyed from a high income area in Jeffrey's Bay (Wavecrest), a medium income area (Humansdorp town), and a low income area (Humansdorp indignant residential area, Vaaldam). Waste was collected from a randomised selection of 10 households per income area. All the waste put out for collection at each of these houses was collected to ensure the results were not skewed due to any type of separation of waste types into different black bags. Waste was collected on the weekly collection day, labelled, and transported to Humansdorp for characterisation. A total of 42 black bags were collected from Jeffery's Bay, 40 black bags from Humansdorp and 29 black bags from Vaaldam.

Waste was sorted by hand into 21 different categories of recyclable and non-recyclable waste, including six categories of plastics.

1. High quality paper e.g. office paper
2. Paper other e.g. magazines, newspapers and plasticized paper
3. Corrugated cardboard e.g. packing boxes
4. Non-corrugated cardboard e.g. cereal boxes
5. Metal e.g. cans, tins, foil
6. E-waste e.g. cell phones, PC components, electrical equipment
7. Organics – garden waste e.g. grass cutting, leaves
8. Organics – food waste e.g. kitchen waste, vegetable peelings
9. PET plastic e.g. soft drinks bottles
10. PE-HD plastics
11. PVC plastics
12. PE-LD plastics
13. PP plastics
14. Polystyrene plastics
15. Glass
16. Construction waste e.g. bricks
17. Hazardous waste e.g. batteries. Fluorescent bulbs, paints
18. Health care risk waste e.g. sharps, medication
19. Nappies

20. Other e.g. material, furniture, clothes
21. Fines, material too small to sort

Each of the categories of waste were weighed individually and recorded.

3.9.4 Waste Characterisation Results

The results for the domestic waste stream characterization are presented in the table and figure below.

WASTE CATEGORY	TOTAL QUANTITY (KG) LOW INCOME	TOTAL QUANTITY (KG) MEDIUM INCOME	TOTAL QUANTITY (KG) HIGH INCOME	SUM TOTAL QUANTITY (KG)	% OF WASTE STREAM
High quality paper	0.52	0.36	1.08	1.96	0.30
Paper other	8.26	14.62	23.04	45.92	6.99
Corrugated cardboard	4.98	4.72	6.4	16.1	2.45
Non-corrugated cardboard	7.96	10.3	8.52	26.78	4.08
Paper & cardboard subtotal	**21.72**	**30**	**39.4**	**91.12**	**13.87**
Organics - garden waste	0	67.46	9.16	76.62	11.66
Organics - food waste	36.44	45.8	52.64	134.88	20.53
Organics subtotal	**36.44**	**113.26**	**61.8**	**211.5**	**32.18**
PET Plastic	3.54	3.98	5.56	13.08	1.99
PE-HD Plastic	6.58	9.7	6.54	22.82	3.47
PVC Plastic	0.3	0.76	0	1.06	0.16
PE-LD Plastic	5.54	4.72	4.86	15.12	2.30
PP Plastic	3.02	1.3	5.62	9.94	1.51
Polystyrene Plastic	2.28	2.1	3.76	8.14	1.24
Plastics subtotal	**21.26**	**22.56**	**26.34**	**70.16**	**10.68**
Hazardous waste	0	0.54	0.78	1.32	0.20
Health care risk waste	0.02	0	0.48	0.5	0.08
Nappies	48.76	8.3	27.1	84.16	12.81
Hazardous and HCRW subtotal	**48.78**	**8.84**	**28.36**	**85.98**	**13.08**
Metal subtotal	**10.97**	**5.32**	**7.12**	**23.41**	**3.56**
E- waste subtotal	**0.44**	**0.01**	**0.78**	**1.23**	**0.19**
Glass subtotal	**11.44**	**16.56**	**20.82**	**48.82**	**7.43**

Construction waste subtotal	0.3	0	none	0.3	0.05
Other subtotal	86.3	5.6	10.82	102.72	15.63
Fines subtotal	11.74	5.74	4.42	21.9	3.33
TOTAL	249.39	207.89	199.86	657.14	100

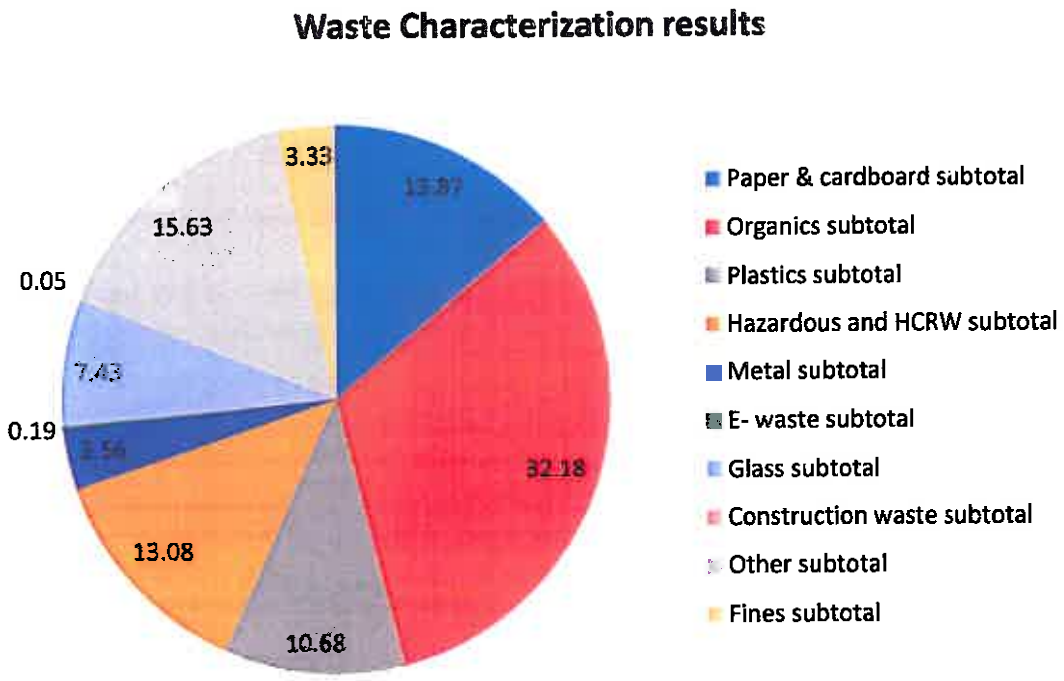


Figure 1: Waste characterisation results

On average the largest category of the domestic waste stream was organic waste comprising a total of 32.18% of the waste stream. Organic waste was composted of garden waste (11.66%) and food waste (20.53%). This finding highlights the requirements for regular removal of domestic waste, especially in summer. On average 35.53% of the domestic waste stream is composed of recyclable materials (paper, cardboard, metal, glass and plastics).

Hazardous waste constituted 13.08% of the waste stream. The majority of hazardous waste (97.94% of all hazardous waste) consisted of used nappies and sanitary towels.

3.9.5. Domestic Refuse Removal

The following areas are serviced regularly, either twice a week or once week, by the KLM:

- Jeffrey's Bay
- Aston Bay
- Pellsrus
- St Francis Bay
- Cape St Francis
- Oyster Bay
- Umzamowethu
- Humansdorp

- Kwanomzamo
- Vaaldam
- Arcardia
- Gamtoos Valley
- Hankey
- Patensie
- Loerie
- Thornhill
- Pola Park
- Shukushukuma
- Thornhill

Residential areas, both formal and informal in the larger towns (Jeffrey's Bay and Humansdorp) are serviced twice weekly and the smaller towns (Hankey, Patensie, St Francis, Cape St Francis) are serviced weekly. According to STATS SA (2011) only 83.5% of households in the KLM receive a municipal waste collection service. The details are presented in the table below:

Refuse Collection is done 3times a week at all businesses and once a week for household refuse.

Total Number of Businesses	-	1106
Total Number of households	-	22130
Total Number of informal settlements	-	3693
Total Number of backyard dwellers	-	3877
Total Number of Flats	-	223

Equipment use

Jeffreys Bay	-	4 x Compactor Trucks 1 x 3 Ton Truck 3 x Skip Trucks
Humansdorp	-	2 x Compactor Trucks 1 x Skip Truck
G.V.	-	2 x Compactor Trucks

Percentage Type of Refuse Disposal per Household.

TYPE OF REFUSE DISPOSAL	HOUSEHOLD PERCENTAGE (%)		
	KOUGA LM	EASTERN CAPE	SOUTH AFRICA
Removed by local authority / private company at least once a week	83.5	41.0	62.1
Removed by local authority / private company less often	1.2	2.4	1.5
Communal refuse dump	2.5	1.7	1.9
Own refuse dump	10.2	41.7	28.2
No rubbish disposal	1.9	11.3	5.4
Other	0.6	1.9	0.9

Source: Statistics South Africa's Census (2011)

The percentage of houses receiving weekly waste removal has improved from 77.4% in 2001 to 83.5% in 2011. Challenges to increasing the provision of a weekly waste collection further include illegal dumping, insufficient waste collection fleet and staff.

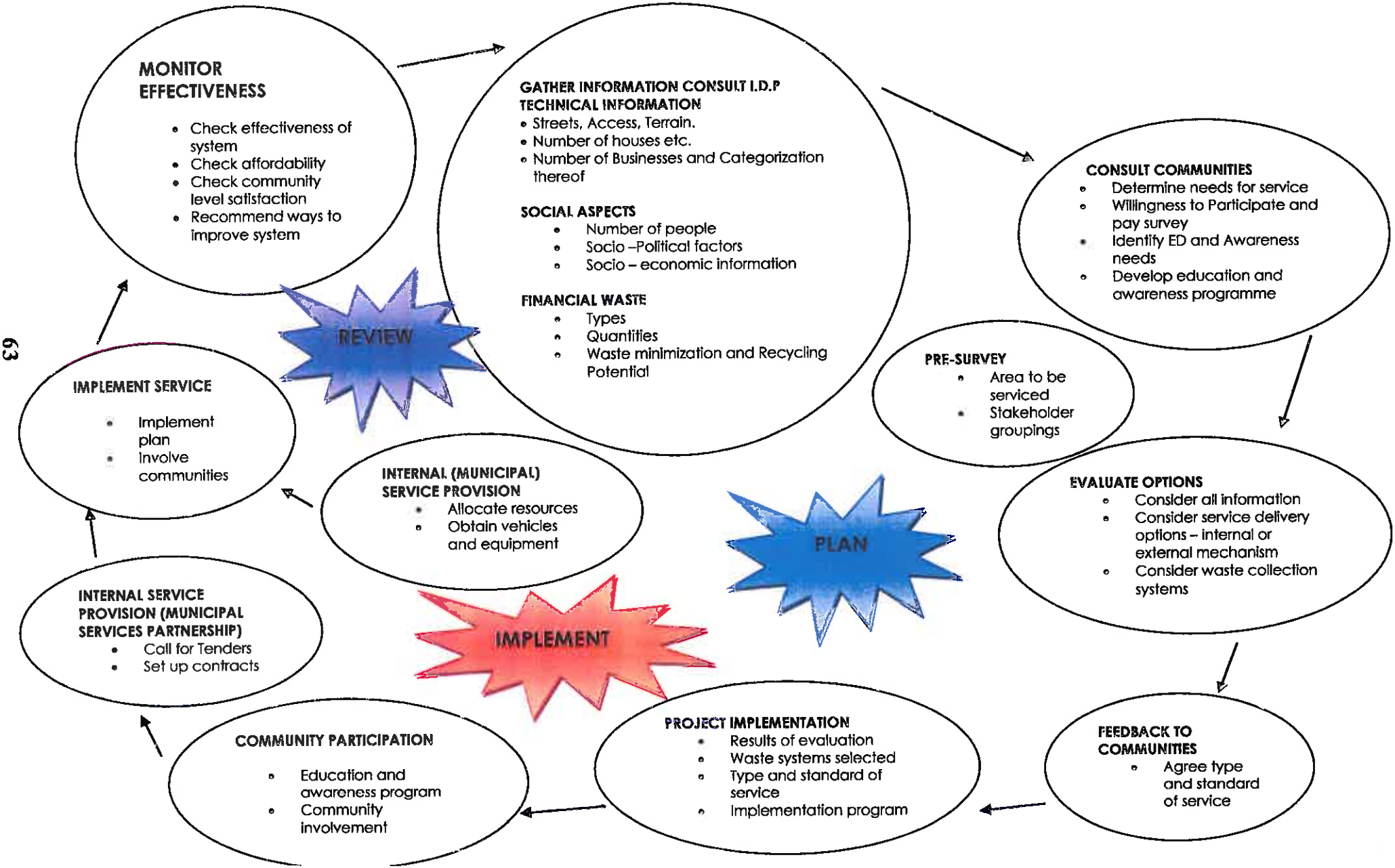
The KLM officials have however indicated that all residential areas in the KLM do receive a weekly collection service. The discrepancy between this and the StatsSA figures has not been explained.

Business and Industry and Other Waste Collection

Waste is collected from businesses weekly in the majority of towns in KLM. Some of the main commercial centres in Humansdorp are serviced twice a week. This is because many of the businesses in these areas have limited space for waste storage.

Waste is removed from schools once weekly and from the Hospital in Humansdorp three times per week.

3.9.6. REVIEW CYCLE FOR KOUGA'S WASTE COLLECTION: RECOGNISING KEY ELEMENTS OF NATIONAL WASTE MANAGEMENT STRATEGY & EM: WASTE ACT – ACT 2008



3.9.7 Key Challenges

1. The filling of vacant budgeted posts remains a humanness challenge.
2. To replace dilapidated Waste Transportation vehicles, no strategic vehicle replacement plan.
3. No employment wellness program in place, challenge of dreadful deceases.
4. No recycling plan to minimize to waste going into waste site.
5. No alignment of new development from Planning and Development.
6. No alignment of current structure in terms of growth of areas.

Recommended Solutions:

- Those critical vacant posts are filled in line with service delivery priorities.
- That the adopted strategic action plan as per the Integrated Waste Management Plan be implemented as per IDP, Budget and SDBIP alignment program.
- That a strategic vehicle replacement plan be developed to ensure service delivery efficiency.
- That the refuse collection route be reviewed as per the diagram below:

3.10. SPORT AND RECREATION FACILITIES

3.10.1. Overview

Includes all activities associated with the provision of community and social services.

Strategic Objective
Communities have access to social and recreational facilities that are well maintained in an affordable manner.

3.10.2. Description of the Activity:

The function of provision of various community and social services within the municipality is administered as follows and includes:

- Control of all existing Sport Facilities
- Control of all existing Community Recreation Facilities
- Maintenance program for both Sport & Recreation facilities
- Marking of Pitches
- Preparation for Special Events at all Facilities.
- Identification and Application for new facilities as the need arises
- Handling of reservations
- Reconciliations
- Procurement of required amenity equipment.

3.10.2.1 Level and Standard of Services

Two Sport fields were upgraded, that start in 2014/15 financial and was completed in 2015/16 to the value of:

Kruisfontein - R 4 379 974.97
Centerton - R 2 800 897.38
Thornhill - R 4 142 644.00

Thornhill sport field were upgraded and will be finalized in 2016/17 at the value of R12m. Sport field are being used weekly for training and playing of games. We also make use of sport field for special events.

3.10.3. Key Challenges

- Vandalism of existing infrastructure.
- Little budget commitment as the 15% MIG allocation are spread within the infrastructure program of Council.
- The planning of new RDP development does not provide sufficient suitable land for the development of recreational facilities.
- Little budget commitment for maintenance of facilities.
- No maintenance budget allocated to Social Services.

Recommended Solutions:

- That Council considers custodianship for sport club for the upkeep and maintenance of the existing sport facilities.
- That adequate provision be made in the Spatial Development Framework for the land acquisition process to accommodate Recreational Facilities in new developments.

3.11. CEMETERIES

AREA	WARD	BURIALS PER YEAR	EXISTING SPACE	LIFE SPAN	POTENTIAL EXPANSION
HUMANSDORP					
Town	15	171	325 sites	18 months	None
Kwanomzamo	6	23	937 sites	3 years	Increased with 2000 (960 graves)
Graslagte	15	0	Full	No	None
Jeugkamp	4	0	Full	No	None
JEFFREYS BAY					
C-Place	11	99	230 sites	3 years	35 700m²
Dr BB Keet	3	0	Full	No	None
Pellsrus Duine Weg	2	0	Full	No	None
Pellsrus Roman street	2	0	Full	No	None
HANKEY					
Centerton	9	135	45 sites	4 months	Erf 17 Commonage – adjacent to Hankey Cemetery
Town	9	9	Full	No	Erf 17
Weston Private	13	13	40 Sites	1 year	None
PATENSIE					
Ramaphosa	10	82	Full	No	New Cemetery needed
Town	10	10	150 sites	2 years	None

THORNHILL					
Private Land	7	58	Full no space	None	No Municipal Land
LOERIE					
Loerieheuwel	7	27	80 sites	4 years	Explore new Cemetery

Overview

The identification of land, planning and coordination of all cemetery management activities throughout the Kouga.

Strategic objective

Communities have access to affordable and adequate cemetery and maintenance service.

3.11.1. Cemeteries Analysis

3.11. 2. Description of activities

- Identification and application for new Cemeteries
- Maintenance and Upkeep of existing Cemeteries
- Maintain Electronic Burial Register System
- Digging, trimming and closing of graves
- Access control of cemeteries
- Cleaning and Beautification of Cemeteries
- Cleansing of Public Amenities at Cemeteries
- Administration and maintenance of wall of remembrance

3.11.3. Key challenges

- Cemeteries, in the low-cost areas, apart from not meeting the specification, are filled or nearly full capacity and are an eyesore.
- ***To date this department does not have a dedicated team to provide the maintenance and operation service at the cemeteries. No provision has been made in the budget estimates, although it was requested by this Directorate.***
- At the current death rate the existing cemeteries will near its capacity much sooner as envisaged.
- The basic level of costs for a cemetery a lifespan of 10 years life cycle is estimated at a cost of R900 000.00. This costs estimates is for the construction of a fencing, layout of grave sites, construction of storage building and caretaker facility.
- Currently a total of R15 300 000,00 is needed to development and construction of new cemeteries for Kouga, based on a cemetery with a lifespan of 10 years life cycle is estimated at a cost of R900 000.00.
- Equipment needs for maintenance of existing cemeteries estimates at a costs of R 1 200 000
- General lack of fencing at most of the cemeteries results in vandalism and unauthorised entries. Estimated costs to fence (17) seventeen existing cemeteries are R 7 000 000.00
- Little or no progress has been made for the acquisition of land for cemeteries. Current Spatial Development Framework does not make provision for the development of new cemeteries.

- Expansion for new cemeteries at Thornhill (ward 7) is landlocked
- Potential limitation of expanding cemetery at Ramaphosa (ward 10) due to unsuitable slopes and geotechnical conditions.
- Informal nature of cemeteries (i.e. no suitable fencing and facilities) and a lack of appropriate land use rights.
- Urgent need to facilitate the process of identifying new land for cemetery purposes, obtaining the land use rights and RoD's for new cemeteries as well as the extension of new cemeteries
- The initiation of geotechnical, environmental and rezoning processes for the extensions and new cemetery developments
- Lack of Municipal funding to initiate the above processes
- Prioritization is evident in the fact that Cemeteries in Ward 4, 5, 6, 7 and 10 need urgent interventions
- Funding for the Environmental Impact Assessment program to be available as of the 01 July 2016/17 financial year.
- The Supply Chain Processes be approved for immediate implementation for the appointment of a suitable qualified service provider to start the Environmental Assessment Programs for all wards in Kouga, however the priority be given to Ward 4, 5, 6, 7,9 and 10

Recommended Solutions:

- That as a matter of extreme urgency land is made available to develop new cemeteries.
- That the Recommendation as outlined in the Set Plan report for cemeteries be recognized and adopted as the strategic plan for the development of new cemeteries.
- That adequate land provision been made to accommodate new human settlements.
- That a dedicated operational cemetery team for the Kouga region be put in place as a matter of extreme urgency.
- That the land use management program to unlock cemetery space for Ward 6 become a priority.
- That the Supply Chain Management processes for the appointment of a suitable qualified service provider to start the Environmental Assessment Programs for all wards in Kouga, however that priority be given to Ward 4, 5, 6, 7, 9 and 10 be approved.
- That the funding of R500 000.00 as provided for in the 2016/17 budget expenditure program be made available as from the 01 July 2016 in term of the Service Delivery Budget Implementation Plan for 2016/17
- That funding being sourced for the development of basic level costs for a cemetery with a lifespan of 10 years, life cycle as estimated at a cost of R900 000.00 per cemetery with the priority program for the Ward 4, 5, 6, 7 and 10
- That an EPWP program be applied for through the department of public works to structure a maintenance team/s for the maintenance programs of existing cemeteries of the Kouga Region

3.12. CARAVAN PARK AND CAMPING

3.12.1. Overview

The coordination and control of all resorts and Caravan Parks within the Kouga jurisdiction.

Strategic objective

The Communities have access to **Resorts** which are well managed and maintained

3.12. 2. Description of activities

- Upkeep and Maintenance of all Council Caravan Parks and Resorts
- Identify need and respond to customer care to ensure customer satisfaction.
- Strategic Marketing of facilities
- Reconciliations
- Reservations and Bookings

Maintenance and cleaning service done 7days a week. Reservations are done by Caretaker

Income generated for financial year

Jeffreys Bay Caravan Park	-	R226 433.23
Pellsrus Caravan Park	-	R 39 722.56
Humansdorp Caravan Park		R124 043.22
Gamtoos Mouth Park	-	R 38 866.03
Loerie Nature Reserve	-	R 8 658.00

3.12.3. Key challenges

- The surplus funds generated by Resorts, such as Jeffrey's Bay and Pellsrus are not spend to improve the facilities or cross subsidize neighbouring facilities.
- It is a known fact that the Humansdorp resort use to be a very profitable entity, reason being the swimming pool was for resort users only, but the opening of the swimming pool to the general public has drifted prospected holiday makers away from this resort.
- The Maintenance of these resorts is not up to standard due to the lack of resources, the resorts has lost out as the resources available had to be put together to ensure that a level of service can happen.
- There is no clear direction as to what will happen with the Gamtoos and "Yellow Woods Resorts.
- The ownership of the Gamtoos Resort is also a question that needs to be addressed.
- Lack of operational staff also resulted that Resorts are neglected in terms of its maintenance programme.
- Non-provision of security at the resorts.

Recommended Solutions:

- That the finances generated within this service delivery program been utilize for the upkeep and maintenance or improvements if these facilities.
- That Council investigate the viability of this program in relation to core functional priorities.

3.13. PARKS AND OPEN SPACES

3.13.1. Overview

The establishment, upkeep and maintenance of public open spaces within the Kouga area.

Strategic objective

- The Communities have access to Public Open Spaces and Gardens which are well managed and maintained.

3.13.2. Description of activities

- Moving of Grass (Verges, Picnic Areas, Public Open Spaces
- Alien Vegetation/ Bush Clearing.
- Maintenance program for water plants, verges, open spaces, play parks.
- Removal of debris.
- Maintain, Upkeep and Beautification of open spaces, gardens and entrances.
- Maintenance of existing play parks.
- Development of new play parks.
- Procuring of equipment for play parks.
- Planting, Trimming and felling of trees.

New Equipment was bought to the value of:

Side Cutters	-	R 131 600.00 (28 off)
Chainsaws	-	R 65 945.00 (11 off)

- Grass cutting is done daily on road verges and public open spaces in all areas;
- At all schools and crèches every before opening and whenever they request;
- Bush Clearing is done daily on road verges and public open spaces;

3.13.2.1. Level and Standard of Services

3.13.3. Key challenges

- The need to establish an urban conservancy (Street Committee) by involving the Ward Councillor and Ward Committees in an intensified environmental education campaigns throughout Kouga involving both the schools and the community as a whole. These talk shops/workshops and community meetings should be used to inform the community of the consequences of littering in relations to existing and new by-laws to be put in place. This should be done on a regular basis, intensify this in the first and second quarter of the current financial year.
- Introduction of tariffs through a public participation program.
- Implementation of new tariffs structure 2016/17.
- Upgrading of existing play parks to set standards.
- Procuring of new playing equipment in the various play parks.
- Plant trees at the various play parks on sidewalks.
- The development of a sustainable Municipal open space plan and or the improvement thereof.
- Development of a sustainable strategic replacement plan for all vehicles, plant and equipment.

- All new developments must include facilities for parks and cemeteries and sport facilities.

Recommended Solutions:

- That existing play parks be upgraded and maintained in a sustainable manner.
- That a proper public participation program be develop to engage effected communities to create a sense of ownership.

- That Council considers the development of a sustainable strategic replacement plan for all vehicles, plant and equipment.

- That Council ensures that all new developments cater for sufficient land provision through the Spatial Development Framework to accommodate these recreational facilities.

3.14. CLEANSING SERVICES

3.14.1. Overview

The provision of cleansing services in the overall maintenance and cleansing program within the Kouga area.

Strategic objective

Communities live in a clean environment that is maintained and managed in a sustainable manner.

3.14.2. Description of activities

Litter Picking
Street Sweeping
Cleansing of Furrows
Mop-up operations

Cleansing and Litter picking is done daily in all areas – towns entrances, township entrance, flush points and all illegal dumping areas.

Equipment used

Jeffreys Bay	-	1 x Mesch Truck 1 x 3 Ton Truck
Humansdorp	-	1 x Mesch Truck 1 x Tractor
G.V.	-	1 x Mesch Truck 1 x 3 Ton Truck
St Francis Bay	-	1 x Tractor

3.14.3. Key Challenges

- The need to establish an urban conservancy (Street Committee) by involving the
  Ward Councillor and Ward Committees in an intensified environmental education campaigns throughout Kouga involving both the schools and the community as a whole. These talk shops/workshops and community meetings should be used to inform the community of the consequences of littering in relations to existing and new by-laws to be put in place. This should be done on a regular basis, intensify this in the first and second quarter of the current financial year;
- All new RDP housing Development project to include the provision of the Wheelie-
  bin / household

A common misconception exists that littering create jobs for people as street cleaners

- Developing of new by-laws concerning littering and dumping that introduce stiffer penalties to offenders;
- We have no green belt/open space management method in place;
- The lack of a broad understanding of the vital role of tourist attraction results in a further ignorance approach.

Recommended Solutions:

- Those parts of the new housing development program the 240l Wheelie-bin forms part of the infrastructure plan;
- That those Law-enforcement officials are equipped to ensure compliance with all waste related legislation and regulations;
- That a green belt/ open space management method be developed and put in place.

3.15. SAFETY & SECURITY

3.15.1. Traffic Law Enforcement:

- Overview: Traffic Law enforcement is a key performs area of the department of transport which needs to be shared with stakeholders like Local Authorities. As road crashes claims thousands of lives in South Africa it is essential to have strong road traffic enforcement agencies, to reduce carnages and change driving behaviour. Enforcement is guided by the National Road Traffic Act 93/1996 and supported by the Criminal Procedure Act 51/1977. Scholar patrol programs are run with the assistance of department of transport.
- Scholar patrol training was done at six schools and a number of ± 15 learners per school were trained, which amounts to a total of 90 learners.
- Operations: are performed daily on local and national roads as per local work plans and RTMC strategic implementation operational. This includes driver fitness test, vehicle fitness test, events responding to incidents and point duty. Additional six Traffic Officers has been appointed on six months performance contracts to enhance road safety and revenue. A number of 5049 (Summonses- section 52 notices) fines to the value of
  R2 324 200 was issue, of that in amount of $\pm R1{,}6mil$ was paid as admission of guilt. "341 Notices" (pink tickets) a number of 51 to the value of R33 050 was issued.

3.15.2. Major Challenges:

- No progression plan is being implemented to benefit staff as they work for years in the same position.
- No vehicles to work with, as it takes too long to be fixed
- Position are not being filled
- No proper pound facilities for stray animals
- Professional conduct and fraud and corruption sessions must be workshop.
- Skills development training
- Equipment (Safety gear, roadblock trailer and temporarily road signs) needed

3.15.3. Municipal By-Law Enforcement:

- Overview: The section is dealing with bylaws under the Municipal Systems Act. They monitor coast lines and parks by doing visible foot and vehicle patrols to safeguard the public. Law Enforcement is also a prerequisite for approval of Blue flag status which our Municipality achieve for consecutive years, and also plays a responsible role during mayor event in Kouga e.g. Winter Surfing Festival
- Stray animals, illegal electrical connections, illegal structures for spaza shop, illegal dumping, squatters/bosslapers and other relevant complaints is being dealt with.

3.15.4. Major Challenges:

- No progression plan is being implemented to benefit staff as they work for years in the same position.
- No vehicle(s) is available to perform duties; therefor complaints cannot be attended to on time.
- Boats out of order for years, no budget is made available.
- Position are not being filled
- Staff compliment is not enough to services the entire Kouga effectively.
- Stray animals remain a concern as municipal boundaries is still not properly fenced.
- Skill development training

3.15.5. Driving License and Vehicle Testing:

- Overview: Driving License testing Centre in Humansdorp is a grade B testing Centre which means that only motor vehicles and heavy motor vehicles can be tested except motorcycles. The Hankey is only a grade 1 testing Centre where only learner's licenses can be issued.
- These centres are currently servicing the Kouga and parts of Koukamma areas.
- The following services are available: Renewal of driving licenses, conversion of driving licenses, professional driving licenses, appointments of learner/driving licenses
- Roadworthy centre out of order, since it was demolished during heavy rains.
- A total income of R3 751502 was generated
- A total of 4245 drivers licenses was tested,1861 passed (43,8%), 1811 (42,6%) failed and 536 (12,6%) was absent
- A total of 3943 learner license was tested, 2666(67, 6%) passed, 1034(26, 2%) failed and 223 (5,6%) was absent.

3.15.6. Major challenges:

- Building of a larger testing track to accommodate more tests per hour
- More examiners need to be trained
- The entire driver's license section should be under one roof, for monitoring, control and supervising.
- Fraud / corruption and professional conduct session 'must' be workshop
- Filing/office space remain a huge challenge
- Training of staff to update them with new laws
- Equipment is currently very old and needs to be upgrade to be in line with new technology
- Position of a pit assistant must be appointed

3.15.7. Registration and Licensing:

- Overview: Municipalities acting as agents for the Department of Transport to register and licensing vehicles. The service is now also being done by SAPO. Kouga receive service fees for transactions performed.
- Registration/deregistration and Licensing of vehicles
- Capturing of data onto e-Natis system
- Forward requests/complaints to helpdesk to be solved
- Approximately ± 3456 vehicles were registered, and 15000 licensed
- 426 Duplicate Documents,125 Special Permits, 80 Temporary Permits were issued
- Apportion of ± R1 083 648 as service fee was awarded to the municipality.

3.15.8. Major Challenges:

- Building not suitable for the type of business
- Filing space is a huge problem.
- Appointment of staff in critical positions that is vacant
- Budget to address the need of section.
- Payment of Department of Transport for outstanding debt, must be prioritized.
- No budget provision made for Aarto compliance as prescribed by the Aarto act 46 of 1998
- No interaction on senior management levels e.g. CFO (Chief Financial Officer)

3.16. Security:

- Overview: this section strives to ensure the safeguarding of municipal assets and property by performing accesses control, visible patrol and searching. Legal compliance sites like landfill sites receive preference. Cash-ups, caravan parks and stores are being patrolled. A total of 50 sites was identified that needs to be monitored

3.16.1. Major Challenges:

- Staff compliment is not sufficient to work on shift basis and to monitor all sites.
- Only one vehicle is available for senior to visit guards (high kilometres done on vehicle)
- No CCTV cameras installation to track down theft and perpetrators
- Clocking systems for guards to monitor their patrols especially during night shifts

3.17. FIRE & DISASTER MANAGEMENT

3.17.1. Fire and Disaster

Overview

Fire service is a vital public service and part of the fabric of all our communities. The service it provides is essential in preventing fires starting in the first place and in responding quickly and effectively to those incidents with which it has to deal. Increasingly, it is now developing a wider role. That role involves tackling new threats which we are now facing, including terrorism, and threats such as flooding and other environmental disasters.

Fire kills. Preventing fires saves lives and reduces injuries.

Currently too many fire services especially from resource poor municipalities are struggling to provide sustainable and cost-effective fire services.

The number of lives lost and injuries sustained as a result of fires is alarming. Statistics of Kouga in its analysis of the cause of death in Kouga jurisdiction is mainly informal structure fires and motor vehicle accidents.

The fire problem is further complicated by the living conditions in informal settlements characterised by narrow streets which are inaccessible to fire services vehicle as well as the lack of street names which complicates endeavours to reach people in need.

These informal settlements comprised of shacks built by highly combustible materials (frequently wood and plastic) & in close proximity to each other which heighten the risk of fires in these areas.

To keep up with the demand, fire stations are located in Humansdorp (headquarters), and satellite fire stations in Jeffrey's Bay, Hankey and St Francis Bay.

Satellite fire stations are located to reduce the turnout time to incidents and to render a more effective firefighting services to the community.

Key Challenges

The diverse topography and poor road infrastructure, distances to remote communities and poor communications also hamper the effectiveness of the service.

The challenges need to been addressed to procure rough terrain vehicles with large water carrying capacities.

Community awareness, especially at schools and ward level has gone a long way to inform and educate rural communities in the process of alerting fire services and in the prevention of fires.

Travelling distances between towns in Kouga area hampers effective service delivery.

- Establishment of satellite fire station in Patensie, Loerie, Thornhill and Oyster Bay. St Francis Bay fire station needs to be 24/7 operational as a matter of urgency.
- Vehicles and equipment
- Appointment of staff to render a 24/7 service throughout Kouga
- No proper wellness program for our staff
- No replacement policy for vehicle (SANS 10090)

A full time professional Fire Service will provide support to nearby towns and areas with experience, operational support, training, awareness programs, demonstration, fire prevention, law enforcement. The most important advantage of an integrated fire service is the rapid deployment of specialized vehicles, equipment and staff to all areas or towns throughout the district with less duplication and cost.

Recommended Solutions

- Sufficient budgeting processes for the provision and upgrading of infrastructure in Kouga to address water problems, roads, etc.
- The appointment of staff and filling of vacant positions
- Purchasing of new equipment and vehicles
- The establishment of satellite fire stations Oyster Bay, Patensie and Thornhill
- To be cost effective and efficient it is advised that Fire and Emergency Services in the Kouga Area should be an integrated service, the areas and towns be categorized and a minimum standard of service delivery to be determined for all communities at risk.

Legal requirements

In terms of Section 84(1)(j) of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998), the District is responsible for the functions mentioned below:

- Planning, coordination and regulation of fire services;
- Specialised firefighting services such as mountain, veld and chemical fire services;
- Coordination of the standardisation of infrastructure, vehicles, equipment and procedures;
- Training of fire officers.

Kouga Municipality entered into a service level agreement with the District to do the services on their behalf. The District contributes financially as per the formula in the service level agreement.

STATISTICS FOR JULY 2015 JUNE 2016

CATEGORY	PREVIOUS TOTAL	CURRENT MONTH	NEW TOTAL
NUMBER OF FIRES AS FOLLOWS			
BUILDINGS			9
DWELLINGS (formal – brick & mortar)			32
INFORMAL DWELLINGS (shacks/mud/hut, etc.)			67

ELECTRICAL			6
RUBBISH			96
TRANSPORT (Cars/busses/trains/aircraft/ship)			14
VEGETATION			253
OTHER (not specified above) (gas, cancelled)			16
SUB TOTAL			**493**

NUMBER OF SPECIAL SERVICES	PREVIOUS TOTAL	CURRENT TOTAL	NEW TOTAL
Accidents			117
Spillages(oil, diesel on road services)			2
RESCUES (people, animals trapped, lost from machinery or water, etc.)			2
MISCELLANEOUS(any other not specified)			5
HAZMAT SPILLAGES (chemicals, etc.)			0
SUB TOTAL			**126**

TYPE OF SERVICE	PREVIOUS TOTAL	CURRENT TOTAL	NEW TOTAL
GENERAL INSPECTIONS			163
FLAMMABLE LIQUID & GASES			24
DANGEROUS GOODS			4
FIRE –INVESTIGATIONS			22
CONSULTATIONS			186
BUILDING PLANS REVIEWED			294
BUILDING PLANS APPROVED			185
FIRE HYDRANTS INSPECTED &SERVICED			116
CONTROLLED FIRE INSPECTIONS			35
OVERGROWN PLOTS			10
KILOMETERS TRAVELLED			9010
TOTAL			**10049**

PRESENT STATUS OF FIRE SERVICES

AREA	STAFF	LEVEL OF TRAINING	BUILDING	EQUIPMENT	VEHICLES
St Francis/Cape St Francis and Oyster Bay	Three (3) learner fire fighters	Basic fire-fighting training. Fire Fighter 1, Hazmat awareness and level 3 first aid	Satellite fire station in St Francis Bay, St Francis drive.	Basic equipment for formal and informal structures as well as bush fires	One Dennis pumper One Toyota tanker 1991 Model)
Jeffrey's Bay	1 x Station Commander 7 x fire fighters 5 x learner fire fighters	Fire Fighter Two Fire Fighter One Hazmat Awareness and Operational Level 3 First Aid	St Croix Street Jeffrey's Bay/ Shear with Supply Chain. Need to relocate Supply Chain to fully use Fire Station	Basic equipment for formal and informal structures as well as bush fires	One major pumper (Dennis 1993 Model) One Toyota Land Cruzer – 1994 model
Hankey	Seven (7) Learner fire fighters	Basic fire fighting training	Satellite fire station on the corner of Damon street and Main.	Basic equipped for informal structure and bush fires.	One Toyota Land cruzer 4X4 LDV with skid unit
Humansdorp	One (1) CFO One (1) Platoon Officer Three (3) Senior Fire Fighters Six (6) fire fighters five (5) learner fire fighters five (5) control room operators	Certificate in Fire Technology Fire Fighter Two Fire Fighter One Light Vehicle Rescue Basic Ambulance Course Basic Fire Fighting Advance fire prevention course	One station shared by Traffic and Fire	Well equipped with fire-, rescue equipment and protective clothing.	Two Skid unit 4x4 Two LDV Toyota (2010) Rescue/Hazmat Ford Ranger (2007) One Nissan Tanker (1990) Toyota Hino medium Pumper (2006)

OPERATIONAL VEHICLES

Type of vehicle	Where operational	Model	Replacement
Dennis	Jeffrey's Bay	1993	No (was refurbished)
Dennis	St Francis bay	1994	No
Toyota Tanker	St Francis Bay	1990	Yes
Nissan Tanker	Humansdorp	1991	Yes
Toyota Hino	Humansdorp	2006	No
Toyota Land cruse	Hankey	2009	No
Toyota Land cruse	Humansdorp	2009	No
Toyota Land cruse	Humansdorp	2004	No
GMC	Humansdorp	1987	Yes
Ford Ranger	Humansdorp	2006	No
Ford LDV	Humansdorp	2002	Yes

STAFF TRAINING

Staff completed fire fighter one and hazmat awareness	Staff completed fire fighter two and hazmat operational	Staff completed Basic Ambulance Assistant Course	Staff completed Level 3 First Aid Course	Staff completed Higher Certificate, Diploma & Higher Diploma
38	35	7	39	3

Out of the thirty-nine (39) fire fighters employed by Kouga Municipality thirty eight completed fire fighter 1, hazmat awareness and level three first aid courses.

A total of twelve (12) fire fighters were trained in the 2015/2016 financial year in fire fighter 1 and fire fighter 2. Firefighter 1 is a twelve-week commitment that tests each learner physically, mentally, emotionally and spiritually. The daily programme starts promptly at 08:00 and ends at 17:00, with learners undergoing rigorous training exercises on a daily basis.

This is the entry level for professional firefighters working under direct supervision and exposes learners to the fundamentals of firefighting. The South African Emergency Services Institute (SAESI) accepts the NFPA 1001 international qualification as the South African level of competence to perform as a professional firefighter.

The Kouga Municipal Fire Services pride themselves as members of the fire service fraternity and commit to actively seek ways to improve their standards and to maintain the legacy and positive traditions of those who worked hard to make firefighting a noble and humble career and a lifestyle.

This training was all funded by the District according to the service level agreement.

CURRENT STAFF COMPONENT

	Approved positions	Number of approved and budgeted posts per position	Filled posts	Vacant posts
1	C.FO	1	1	0
2	Station commander	1	1	0
3	Platoon Officer	1	1	0
4	Senior fire fighters	4	3	1
5	Fire fighters	19	17	2
6	Junior fire fighters	18	16	2
7	Control room operators	5	5	0
	Total	**49**	**44**	**5**

Capital projects for 2015/2016

Department	Description	Amount allocated	comments
Fire	Upgrade of fire hydrants	R 500 000.00	Internal funding. 137 were completed
	Fire Fighting trailer for Oyster Bay	R 50 000.00	Internal funding. Project completed.
	Satellite fire station for Oyster Bay	R 1 000 000.00	Internal funding. Still in progress
	Fire Fighting equipment	R 325 000.00	Internal funding. Project completed.
		R 1 875 000.00	

One hundred and thirty-seven (137) fire hydrants were standardized throughout the entire Kouga area. Thirty-eight of these fire hydrants were funded by the District and ninety-nine by Kouga Municipality. Fire-fighting trailer completed and licenced ready to be used in Oyster Bay.

Tender for the construction of a satellite fire station in Oyster Bay adjudicated to the responsive service provider. An appointment letter was also issued to the service provider.

Fire-fighting equipment was purchase as well as hydraulic lifting bags for rescue purposes.

13.17.2. DISASTER MANAGEMENT

Overview
The objectives of the Disaster Management Division are to promote a culture of risk reduction, disaster prevention and mitigation within Kouga Municipality as well as the District Municipality. It also acts as a repository and conduit of disaster management related information and aims to capacitate communities, internal and external disaster management role-players. Furthermore, it promotes a rapid, coordinated and effective response to disastrous events by all role-players.

The Disaster Management Act
The Disaster Management Amendment Act No16 of 2015, provides for "an integrated and coordinated disaster management policy that focuses on preventing or reducing the risk of disaster, mitigating the severity of disaster, emergency preparedness, rapid and effective response to disaster and post –disaster recovery and rehabilitation , the establishment and functioning of national, provincial, and municipal disaster management centres, disaster management volunteers and matters incidental thereto.

The implementation of the Principle Disaster Management Act, beginning 2003 has posed significant challenges particularly at the level of local municipalities. The purpose of the review of the act was to tackle identified challenges by maximizing the effect of disaster legislation to communities, especially those at risk.
The Municipal Disaster Risk Management Plan is designed to establish the framework for implementation of the provisions of the Disaster Management Act, 57 of 2002, as well as the related provisions of the Municipal Systems Act, 32 of 2000.

The purpose of the Municipal DRM Plan is to outline policy and procedures for both the pro-active disaster prevention and the reactive disaster response and mitigation phases of Disaster Risk Management.

It is intended to facilitate multi-agency and multi-jurisdictional co-ordination in both pro-active and re-active related programs.

The Kouga Municipal Disaster Management Advisory Forum (KMDMAF) must establish and implement a policy framework for Disaster Risk Management in the municipality aimed at ensuring an integrated and common approach to Disaster Risk Management entities in its area.

The Kouga Municipal Disaster Risk Management Policy Framework will be –
(a) consistent with the provisions of the Disaster Management Act;
(b) consistent with the District Disaster Risk Management Framework; and
(c) consistent with the Disaster Risk Management Policy Framework of the Provincial Government: Eastern Cape.

The Disaster Risk Management Centre (DRMC) will be the custodian of the Municipal (or Kouga -wide) Disaster Risk Management Plan.

Individual Services / Directorates, Departments and other role-players / entities will be responsible for the compilation and maintenance of their own Services / Entity's Disaster Risk Management plans. Along with the various **specific** Hazard DRM Plans, the Service / Entity DRM Plans will be considered as integral parts of the Municipal Disaster Risk Management Plan.

Current Staff Component

The disaster section operates with only one (1) disaster coordinator for Kouga.

Vehicle Component

This Department have only one vehicle to operate with, Isuzu D/C FHY 438 EC.

Challenges in This Section

- Disaster management plan needs to be revised on an annual base.
- Ward base risk assessment plan needs to be incorporate in the disaster management plan. SBDM appointed a service provider to compile a ward base risk assessment plan for Kouga, this project is still on going.
- Sub Committees to keep information updated in order to keep disaster plan updated.
- Upgraded the disaster management centre.
- Staff shortage in this Department
- Department not responsive in compiling contingency plan in terms of their line functions. This is a legislative requirement.

Possible Solutions

- Keep disaster risk management plan updated as developments increase in Kouga area.
- Review of the Disaster Management Advisory Forums
- Functioning of the Disaster Advice Committee meetings
- Appointment of additional staff
- Establish a fully fletch disaster control center.

Event management

The event management act 2010 form part of the disaster management function as it is a legislative requirement.

- Deals with the compliance of all events risk.
- On-site inspections of all areas where tents are erected.

Awareness Training for Learners Project

The Disaster Management Division conducted multiple training sessions at primary schools, and was part of the evacuation drills that was conducted at Isivivana Hospital in Humansdorp. The purpose was to make juveniles aware of hazards and risk factors in their environments and to inform own communities of what they had learnt. The division also supported the Provincial Disaster Management Centre with its annual school awareness programs.

The division participated and supported two simulation exercises, namely at the Isivivana Hospital in Humansdorp and old age homes in Jeffrey Bay.

Risk in different areas in Kouga

Call	HIGH	LOW	Challenges
Humansdorp	Floods Domestic Fire		Storm Water System Maintenance. Informal Settlement Areas. Social factors
ST Francis Bay	Domestic Fire Structure Fire Flooding	See Risen	Domestic fire is High in the Formal and Informal areas due to Social Challenges Structure Fire is a High risk due to Electrical and social factors See Risen due to Climate Change and Global Warming factors. Formal and Intormal areas get flooded due to lack of storm water system and its maintenance
Oyster Bay	Flooding Domestic Fire	See Risen	Formal and Informal areas get flooded due to lack of storm water system and its maintenance. Domestic fire is High in the Formal and Informal areas due to Social Challenges See Risen due to Climate Change and Global Warming factors
Jeffery's Bay	Domestic Fire Flooding	See Risen	Domestic fire is High in the Formal and Informal areas due to Social Challenges Formal and Informal areas get flooded due to lack of storm water system and its maintenance. See Risen due to Climate Change and Global Warming factors.
Thornhill	Flooding Domestic Fire	Field Fire (Bush Plant)	Formal and Informal areas get flooded due to lack of storm water system and its maintenance Domestic fire is High in the Formal and Informal areas due to Social Challenges. Bush fire and Plantation forestry
Hankey	Domestic Fire Flooding		Domestic fire is High in the Formal and Informal areas due to Social Challenges. Informal Settlement Stofwolk
Patensie	Domestic Fire Flooding		Domestic fire is High in the Formal and Informal areas due to Social Challenges. Flooding is more in the low line farm areas

3.18. ENVIRONMENT HEALTH & SOCIAL SERVICES

Overview

The Department Health & Social Services includes all activities relating to the provision of Environmental / Municipal Health Services, Library Services, Special Programmes for the empowerment of Youth, Women, Children and the Disabled, programmes towards mitigation of the effect of HIV & AIDS on communities and Occupational Health & Safety.

Environmental Health:

3.18.1. Environmental Health Service delivery strategy and Main role-players

- To improve the health status of communities through the identification, evaluation and control of critical factors that affect the physical, social and mental well – being of communities.

- Environmental Health Services are mainly preventive health services, and are therefore largely protecting public health and preventing health hazards / risks and diseases

3.18.2. Levels and standards of Environmental Health Services

- The function of Environmental / Municipal Health Services for the Municipality is as follows;
- Kouga Municipality has entered into a Service Level Agreement with the Sarah Baartman District Municipality to render the Environmental / Municipal Health Services on behalf of the District Municipality, in its respective jurisdiction.

The functions of Environmental Health include the following activities:

- Water Quality Monitoring,
- Food Control,
- Waste Management: illegal dumping,
- Health Surveillance of premises,
- Pauper Burials: attending to applications for exhumations and reburials,
- Surveillance and Prevention of Communicable Diseases,
- Vector Control,
- Environmental Pollution Control, attending to complaints and health nuisances,
- Evaluation of Cemeteries, Mortuaries, and funeral undertaker premises,
- Active Environmental Education Sessions and Awareness Campaigns / Programs,
- Business registration & Hawker Programmes

The above functions as rendered by the municipality excluding Port Health, Malaria Control and Hazardous Substances which are functions and competency of the Eastern Cape Department of Health.

3.18.3. Annual performance as per key performance indicators in Environmental Health Services

Description of the Activity and Analysis of the Function	Environmental Health	No. of Facilities	No. of Visits
	Food & Milk Control: Inspection and evaluation of food premises and milk farms to ensure compliance to all Health Regulations and also to ensure that products sold to the public is fit for consumption	725	1860
	Water Quality Monitoring: Sampling of water for bacteriological and chemical analysis to ensure compliance with SANS 241 and also to ensure that the water is fit for human consumption.	33 Sampling Points 12 X 33 Bact 4 X 33 Chem 36 Failures	564
	Waste Management: identification of illegal dumping sites to ensure a clean and healthy environment.	88 Sites	3345
	Health Surveillance of Premises: Assessment of factors including ventilation, lighting, moisture and approval of building plans to ensure safety.	54 Building Plans	54
	Surveillance & Prevention of communicable diseases: Health and hygiene promotion to prevent communicable diseases and disease outbreaks.	Ongoing as per visit to facilities	
	Vector Control: Vector control of public health interest including the control of anthropoids, rodents and other alternative hosts of diseases.	41 Facilities	41
	Environmental Pollution Control: Identification of polluting agents and their sources in order to ensure hygienic working living and recreational environment, e.g. management of overgrown plots.	401 Notices for Plot Clearing	Cleared By Council: 75 Owners: 100
	Disposal of the Dead: Manage, control and monitoring exhumations and reburial or disposal of human remains	20 Applications	20 Approved
	Business Registration & Hawkers Programme: Registration of all new businesses in terms of the Business Act, including hawkers.	123 Applications	88 Approved

Key Issues for 2015 / 2016

- **Schools Feeding Scheme: Food Safety & Hygiene, Education & Awareness Programme** was conducted at all schools, within the Kouga Municipal Area, that are providing food to the learners though the school feeding scheme. Food safety and hygiene is about the safe handling, preparation, serving and storage of food in ways that will prevent food borne illnesses / food poisoning. Food borne illnesses / food poisoning may be as a result of bad bacteria that have been introduced to the food during the process of handling, preparation, storage, serving and the transport of food.

  The programme was conducted with all food handlers at the school covering topics such as personal hygiene, environmental hygiene, food safety, duties of food handlers, compliance with Regulation R962 which governs general hygiene for food premises and the transport of food.

  Fourteen Schools (14) were visited and seventy-three (73) food handlers were reached with the programme.

- **Dog Dipping and Deworming** programme conducted in all areas of Kouga Municipality in conjunction with SPCA during the month of November / December 2015 with the aim of reducing animal diseases that can infect human being and also to educate animal owners on how to care for their pets. These include but not limited to:
  - Dog Worms,
  - Rabies,
  - MRSA (Methicillin – Resistant Staphylococcus Aureus)
  - Plague
  - Ringworm
  - Mange

  The following numbers of animals were reached per area with the programme:

Humansdorp:	411 Dogs & 9 Cats
Patensie:	189 Dogs & 5 Cats
Hankey:	405 Dogs & 18 Cats
Loerie:	123 Dogs
Thornhill:	112 Dogs
Jeffreysbay:	245 Dogs & 8 Cats
Seavista:	86 Dogs
Oysterbay:	45 Dogs
Kwa – Nomzamo:	182 Dogs

  Total:
  Dogs: 1798
  Cats: 40

- **Health Education & Awareness Programme was conducted at Humansdorp Secondary School (Grade 8 & 9 Learners) during the month of March 2016. Topics covered during the programmes were Personal & General Hygiene.** Hygiene is a set of practices performed for the preservation of health. According to the World Health Organization (WHO), "Hygiene refers to conditions and practices that help to maintain health and prevent the spread of diseases." Whereas in popular culture and parlance it can often mean mere 'cleanliness', hygiene in its fullest and original meaning goes much beyond that to include all circumstances and practices, lifestyle issues, premises and commodities that engender a safe and healthy environment.

The learners were educated on good hygiene and personal hygiene habits which include: washing of one's body, teeth, hair, hands, uniform. Changing into clean uniform /clothing, keeping the environment clean, the classrooms, the toilets, the recreational facilities, one's home environments and keeping a general clean and healthy environment in our communities so as to prevent the spread of harmful bacterial also known as germs.

- **Dog Dipping and Deworming programme** conducted in all areas of Kouga Municipality in conjunction with SPCA during the month of June 2016 with the aim of reducing animal diseases that can infect human being and also to educate animal owners on how to care for their pets. These include but not limited to:
  - Dog Worms,
  - Rabies,
  - MRSA (Methicillin – Resistant Staphylococcus Aureus)
  - Plague
  - Ringworm
  - Mange

  The following numbers of animals were reached per area with the programme:

Humansdorp:	506 Dogs & 12 Cats
Patensie:	185 Dogs & 1 Cat
Hankey:	369 Dogs & 12 Cats
Loerie:	0 (to be done)
Thornhill:	0 (to be done)
Jeffreysbay:	145 Dogs
Oysterbay:	55 Dogs & 3 Cats
Seavista:	79 Dogs & 2 Cats
Kwa – Nomzamo:	98 Dogs & 1 Cat
Vergenoeg:	110 & 1 Cat

  Total:
  Dogs: 1547
  Cats: 32

- Health education with shop owners and food / meat handlers, persons in charge is also conducted on an ongoing basis during visit and inspections at food premises, butcheries, general dealers, house shops and funeral parlours.

- Schools and day care centres are also visited regularly and health education on good hygiene and sanitation practices is conducted with learners, teachers and care givers with the aim of preventing ill – health and communicable diseases.

3.18.4. Major challenges in Environmental Health Services and remedial action

KPI	CHALLENGE	POSSIBLE SOLUTION
Environmental Pollution Control	Clearing of overgrown plots: the programme of plot clearing is in process. The backlog that was due to non-clearing of plots for a period of two years is being addressed but at a slow pace due staff shortage. Some plot owners are still non – responsive with regards to clearing of their plots	Appointment of staff and an extra plot clearing team will ensure that the process runs at a quicker pace than currently Notices are still being issued and some owners are responding by clearing their plots privately The existing plot clearing team is still currently attending to overgrown plots in all areas of Kouga but mainly in the coastal areas. Acquisition of trailer for removal of debris Development, adoption and approval of a private plot clearing policy by council to assist in addressing the challenges with plot clearing.
Food quality monitoring	Lack of food and milk sampling	Project needs to be urgently prioritized
Business registration	Influx and mushrooming of Spaza Shops in all areas of Kouga	Council to adopt and approve the Policy on Spaza Shops
Hawker Registration	Influx and mushrooming of Hawkers in all areas of Kouga resulting in difficulty in managing and monitoring	Council to identify land for hawking purposes in all areas, Council to make provision for suitable hawking facilities in all areas Council to develop, adopt and approve a Policy on Hawkers / Street Vendors
Early Childhood Development Centres (ECDC)	Mushrooming of early childhood development centres in all areas of Kouga especially in the Informal Settlements	Council to adopt and approve a policy on the control and structural, zoning / consent/ land use requirements of ECDC
Staff Shortages	Due to resignation of 2 X EHP's in Dec 2014 and Sept 2015. Leaving one area with a contractual EHP and one area without the services of an EHP	That appointment or filling of the vacant positions be done to ensure that environmental health services are rendered at the said areas.

3.19. SPECIAL PROGRAMMES

3.19.1. Special Programmes service delivery strategy and main role players

The function of Special Programmes and HIV & AIDS for the Municipality is as follows:

- The implementation of Special Programmes for youth, children, women, the elderly; and people living with disabilities; and mainstreaming HIV & AIDS programmes including mitigation measures in communities and the development of social cohesion.

This service delivery strategy includes the following activities:

- Establishment of Forums for Women, Youth and People with Disabilities Empowerment
- Policy development on Youth Development, empowerment of people with disabilities and women empowerment,
- Formation of partnership with other sector departments in implementing programmes and campaigns,
- Establishment of a Kouga Youth Council, Women's Caucus and Disability Council

3.19.2. Levels and Standards of the Special Programmes Unit

The unit provides necessary support to enable the Executive Mayor to fulfil her political mandate. It ensures that all needs of the vulnerable groups are met, with special emphasis of five groups: youth, women people with disabilities, children and the elderly. Coordinates the delivery of community services plans and programmes through the provision of guidance on applications and processes to promote and achieve the social responsibility objectives of the municipality, executive of procedural and administrative requirements, interacting with community based structures to facilitate alignment of needs and priorities, creating awareness and encouraging participation and, attending to arrangements in respect of specific events/ programmes in accordance with budgetary allocation in order to ensure social upliftment and development objectives are accomplished

3.19.3. Annual performance as per key performance indicators on Special Programmes Unit

- On the 17th July 2015, Mandela day in Loerie, visits with the Mayor to three vulnerable women, distribution of food parcels, the day included cleaning up of the local community.

- In August 2015 the Kouga Municipality held a Mass Prayer in St Francis Bay, the purpose of the prayer was to pray for all the social ills and violence against women and children.

- On the 17 September 2015, a workshop was held in Humansdorp Country Club on Factors associated with Teenage pregnancy, the workshop was conducted by Department of Social Development from the Provincial Legislature

- On the 10 November 2015 the SPU officer and the HIV& AIDS Co - Coordinator attended a workshop in East London, which dealt with the Understanding the epidemic and also on tools on sustaining Local AIDS Councils. The workshop was hosted by Sarah Baartman District Municipality in partnership with GIZ which is a NGO that is assisting all municipalities in the fight against HIV and Aids

- On the 25 November 2015, the Kouga Local Municipality launched the 16 days of activism campaign for no violence against women and children. The launch was in the form of a motorcade that was held in Humansdorp it started from Mzingisi primary School around the KwaNomzamo township to Humansdorp to the Municipal Offices

- On the 30 November 2015, mobilization and door to door done in Jeffrey's Bay, Tokyo Sexwale, Pellsrus and Ocean View in preparation of the World Aids Day, which was going to be held in Pellsrus Community Centre on the 1st December 2015.
- Kouga Local Municipality, the Department of Social Development and Department of Health held a World Aids Day commemoration in Pellsrus Community Hall on the 1st December 2015. The programme was two folded; it started with the world aids programme, with different speakers from the sector Departments and also from those who are infected and affected by HIV and AIDS. Services on wheels were provided by

- On the 10 of December 2015, was the closing day for 16 Days of Activism Campaign for no violence against women and children, this programme took place in Loerie Community Hall. Attendance was not as expected even though thorough mobilization was done
  Department of Health plus minus hundred people attended the programme.

- The second phase of the programme was the handover of groceries and clothes to three families who were identified by Social Development as vulnerable group.

- The families identified, one of them in Pellsrus had a girl who was thirteen years old who had a kidney transplant and was going back to Cape Town for further examination, needed some few accessories, like linen, the second and third family was of both parents and the children were HIV positive and the parents were unemployed

- On the 15 of December 2015, Kouga held an Employee wellness day at the Humansdorp Country Club, Department of Health and some of the medical Aids were part of the programme where the employees went to their relevant medical aids for queries and obtaining more information on their medical aids.

- On the 13 January 2016, the Kouga Municipality held a back to School campaign where in which the mayor visited a number of schools across Kouga and giving the schools messages of support for the 2016 academic year. The Visits started on the 13th January 2016 the following schools were visited Nico Malan High School, Lungiso High School, Humansdorp Secondary, Graslagte and St Patrick's Primary School.

- On the 14 January 2016, the mayor visited Weston Intermediate School, Hankey Primary and Hankey Secondary School this visit was supported by the Eastern Cape Provincial Legislature Education Portfolio committee.

- On the 25 February 2016, STI, Teenage Pregnancy and Condom awareness programme was held in Hankey Secondary, in partnership with Sarah Baartman District Municipality, Department of Health, Social Service Education and the South African Police Service.
- On the 2 March 2016, the STI and Condom awareness programme was held in Humansdorp Secondary School in partnership with the of Sarah Baartman District Municipality, Department of Health, Department of Education and Social Development

- On the 20 - 21 April 2016, the HIV and AIDS Co - Coordinator and the SPU officer attended a workshop held in Port Elizabeth where a review of the strategic plan for HIV, TB & STIs (2012 - 2016) which was conducted by Eastern Cape AIDS Council.

- On 14 May 2016, the Special Programmes Officer mobilized 50 youth from all wards of Kouga and attended a District youth parliament this was in preparation of the upcoming Youth Parliament that will take place in Bisho on the 10th of June 2016. The District Youth Parliament took place in Kirkwood. The delegates of Kouga Municipality participated very well in the discussions and represented Kouga very well.

- On the 19 of May 2016, International Family day and candle light memorial service was held in Patensie, programme was well attended by community members, different speakers and stakeholders shared messages of support for the day.

- On the 22- 29 May 2016, the Soccer Edition of the Kouga Mayor's cup took place in various fields in Hankey, Humansdorp, Jeffrey's bay, Loerie and St Francis bay. On the 29 the final was played in Humansdorp Kruisfontein Sports Complex. The mayor was present and handed over the trophy to the winning team which was CCX Callies Football Club. The event was well attended by the community and the clubs, there were no incidences that threatened the tournament but sport prevailed

- On the 09 June 2016, the Special Programmes Officer attended a Youth Parliament in Bisho this was a programme hosted by the Eastern Cape Provincial Legislature and Eastern Cape Youth Council. The purpose of this Sectoral parliament was to create a platform for young people of the Eastern Cape and also to evaluate the work done by the provincial government when it comes to youth development. Kouga Municipality through its special Programmes unit officer mobilized 10 delegates from various wards of Kouga to attend the event and represent Kouga at the parliament.

- On the 17 June 2016, the Special Programmes officer in partnership with the SMME's development unit held a Youth in Business Session in St Francis Bay Links. The target audiences were youth in business as well as youth that are interested to start their own businesses. The event was attended by youth from all over Kouga meaning all wards were represented.

- On the 22 June 2016, was a Career expo for the unemployed youth of Jeffrey's Bay, which was organized by Department of Labour and other Sector Departments in the Provincial level, did their presentations on the different career opportunities available for the Youth?

- On the 27 June 2016 Youth Discussions and presentations done in Weston crèche for the youth of Weston. The Presentation was done by several stakeholders. E.g. Department of Health, Working for Water and Department of Agriculture.

3.19.4. Major Challenges in Special Programmes Unit and Remedial Action

PROGRAMME	CHALLENGES	SOLUTION
Develop policies for all vulnerable groups	A youth development policy in place but all other vulnerable groups' policies are not drafted.	The district municipality Sarah Baartman and SALGA should be engaged to assist in the process of development of policies of all vulnerable groups.
Establishment of Community Based forums and councils	The functioning and efficiency of ward based forums is a critical challenge. The forums	The forums should be established and clear guide lines should be established and

	collapse right after establishment	explained to all officer bearers
Establishment of NYDA office in Kouga	There is no current NYDA office in Kouga to service all Kouga youth, young people have to travel to Port Elizabeth even though there is a memorandum of understanding between the municipality and NYDA	The memorandum of understanding should be implemented as agreed. Secondly office space should be identified so as where the offices will be based.

3.20. HIV and AIDS

3.20.1. HIV & AIDS Service Delivery Strategy and main role players

- To provide the necessary support to enable the Executive Mayor to fulfill her political mandate.
- To ensure that all the needs of the community of Kouga are met with special emphasis on five focus groups: the youth, children, women, elderly people and people with disabilities and also includes the HIV & AIDS aspects of the said groups.
- To improve the HIV /TB & AIDS status of the community of Kouga Municipality.

3.20.2. Levels and Standards of HIV & AIDS

The function of HIV & Aids for the municipality is as follows;

- The implementation of mainstreaming of HIV & Aids programmes including mitigation measure in communities and the development of social cohesion

These functions included the following activities

- Establishment of a Local Aids Council and ensuring effective and functioning of LAC, e.g. meetings takes place quarterly
- Training of Local Aids Council members on roles and responsibilities
- Formation and strengthening of partnership with other sector departments in implementing programmes and campaigns.
- Formation of ward based HIV & Aids Forums in all wards

3.20.3. Annual performance as per key performance indicators on HIV & Aids

- On the 17th July 2015, Mandela day in Loerie, visits with the Mayor to three vulnerable women, distribution of food parcels.
- On the 15th of September 2015 a HIV& AIDS programme was held in Patensie, Alex Ntantiso Community hall, which organized by Patensie Primary.
- On the 17th September 2015, a workshop was held in Humansdorp Country Club on Factors associated with Teenage pregnancy, the workshop was conducted by Department of Social Development from the Provincial Legislature
- Local Aids Council meeting was held on the 21st September 2015, in Humansdorp Council Chambers and was attended by most Stakeholders of Kouga; there are still stake holders who do not attend the meetings despite being receiving invited to attend.
- On the 22nd October 2015, wellness day was held for Kouga employees in the Jeffreys Bay unit, with the assistance of Department of Health:

- Thirty (30) employees could be reached in the Jeffreys Bay unit.
- 11 were tested for HIV
- 14 Screened for TB
- 24 tested for Sugar Diabetes and High blood Pressure.
- 2 were referred to GP blood pressure too high.

- On the 30th October 2015 an HIV testing and Counselling awareness by Kouga, Department of Health and Sarah Baartman District
- Programme took place in Humansdorp Taxi Rank. The target group was the taxi drivers and owners.
- The programme was disturbed by rain and only thirty-seven taxi drivers could be reached:
- 37 Tested for HIV, 15 were screen for TB.

- On the 10TH November 2015 the SPU officer and the HIV& AIDS Co-Ordinator attended a workshop in East London, which dealt with the Understanding the epidemic and also on tools on sustaining Local AIDS Councils. The workshop was presented by Cacadu District Municipality in Collaboration with GIZ - (a non-government organization assisting all municipalities in the fight of HIV and AIDS).

- On the 25th November 2015, it was the launch of Sixteen days of activism against gender based violence. The launched was initially organized in a form of a March but due to poor attendance, it was then it was then decided that a motorcade be held which started in Mzingisi primary School to Lungiso High School and back to Du Plessis Street in Humansdorp to the Municipal Offices

- On the 30th November 2015, mobilization and door to door done in Jeffreys Bay, Tokyo Sexwale, Pellsrus and Ocean View in preparation of the World Aids Day,
- Kouga Municipality in collaboration with Social Development and Department of Health held World Aids Day, which was held in Pellsrus Community Hall on the
- 1st December 2015.The participants were both Government Officials as speakers and testimonials from those who are infected and affected by HIV and Aids

- The programme was two folded; it started with the world aids programme, with different speakers from the sector Departments and also from those who are infected and affected by HIV and AIDS.

- Services on wheels were provided by Department of Health plus minus hundred people attended the programme.

  - 20 People went for Dental Clinic
  - 8 for HIV Counseling
  - 14 for TB Screening
  - 4 Mental Health Screening
  - 5 for STI screening
  - 3 for Pregnancy screening
  - 28 for High Blood and Sugar Diabetes

- The second phase of the programme was the handover of groceries and clothes to three families who were identified by Social Development as vulnerable group.

- On the 10th of December, was the closing day for 16 Days of gender based violence, which was held in Loerie Community Hall.
- On the 15th of December was Kouga Employee wellness day at the Humansdorp Country Club, Department of Health and some of the medical Aids were part of the programme where the employees went to their relevant medical aids for queries and obtaining more information on their medical aids.

- The Visits started on the 13th January 2015 in Nico Malan High School, Lungiso High School, Humansdorp Secondary, Graslagte and St Patrick's Primary School.

- On the 14th January the mayor visited Vukani Primary School and Hankey primary.

- On the 25th of February 2016, STI, Teenage Pregnancy and Condom awareness programme was held in Hankey Senior Secondary, in collaboration with other Stakeholders and Department of Education.

- The programme was held in form of presentation and hundred and fifty learners (150) could be reached.

- On the 2nd of March STI and Condom awareness programme was held in Humansdorp Secondary School with the assistance of Sarah Baartman District Municipality, Department of Health, Department of Education and Social Development

- Plus minus 200 learners could be reached that day.

- On the 17th March Local Aids council meeting was held, not all stakeholders attended the meeting.

- On the 29th March 2016, Door to Door, defaulter tracing was done in Hankey, Phillipsville and Centerton.

- On the 30th March a TB Day was held in Patensie, correctional Services.

- On the 20th - 21st April the HIV and AIDS Co-Ordinator and the SPU officer attended a workshop held in Port Elizabeth where a review of the strategic plan for HIV, TB & STIs (2012 - 2016) which was conducted by Eastern Cape AIDS Council.

  The purpose of the workshop was to review or analyse the District plan also to prepare for the implementation of the plan that will pave way for the development of the new District Strategic Plan that will be speaking to the Local Municipality.

- On the 19th of May, International Family day and candle light memorial service was held in Patensie, programme was well attended by community members, different speakers and stakeholders shared messages of support for the day.

- From the 25th-31st was wellness programme for Kouga employees which was done by Clicks pharmacy and different medical Aids were also present to assist their members with their queries, and also to provide information to those who do not have medical aids.

- On the 15th June 2016 a programme was held in long More Community Hall, the Theme was "Youth Moving South Africa Forward." Different presentations were made by the Different stakeholders, and later Youth Dialogues took place

- On the 17 June a programme was held in St Francis Bay Links for youth, programme which was attended inconjuction with the Youth of Kouga in all Wards, the programme was organized by LED and in collaboration with Special Programmes Office.

- On the 22nd June 2016, was a Career expo for the unemployed youth of Jeffreys Bay, which was organized by Department of Labour and other Sector Departments in the Provincial level, and they did their presentations on the different career opportunities available for the Youth.

- On the 27th June 2016 Youth Discussions and presentations done in Weston crèche for the youth of Weston. The Presentation was done by several stakeholders. E.g. Dept. of Health, Working for Water and Dept. of Agriculture.

Annual HIV & AIDS Statistics

FACILITY	TOTAL CLIENTS ON ART 2014/2015	TOTAL CLIENTS POSITVE 2014/2015	TOTAL CLIENTS ON ART 2015/2016	TOTAL CLIENTS TEST POSITIVE 2015/2016
ANDRIESKRAAL	45	23	68	10
HUMANSDORP CLINIC	896	186	1100	229
KRUISFONTEIN CLINIC	482	70	520	75
IMIZAMO YETHU	234	56	259	92
LOERIE CLINIC	139	38	166	23
LOERIE MOBILE	74	18	0	
MASAKHANE (HANKEY)	353	139	423	147
PATENSIE 1	0	1	0	25
PELLSRUS CLINIC	1086	213	1230	230
ST FRANCIS BAY	337	82	370	53
SUURBRON	0	11	0	7
THORNHILL	155	33	161	27

WESTORN	200	42	202	42
TOTAL	4001	902	4499	960

3.20.4. Major Challenges in HIV & AIDS and remedial action

PROGRAMME	CHALLENGES	SOLUTION
Functionality of Local Aids Council	Not all key stakeholders are attending the Local AIDS Council meetings	Encouraging and urging all stakeholders to attend these meeting highlighting the importance of working together in achieving the set objectives and improving the lives of communities of Kouga.
Implementation of HIV & Aids workplace programmes	There is still a lack of cooperation by some directorates in the successful implementation of the workplace programmes.	Inter department collaboration must be strengthened and the importance of implementing these programmes should be emphasized by the Directors and Managers.
HIV & Aids Community Awareness	Non-cooperation of other sector departments	Ensuring that participation mechanism is sufficiently accessible and sufficiently proactive to enable HIV & Aids community activist to participate

3.21. Library Services.

3.21.1 Library Service delivery strategy and main role players

- To ensure that the communities of Kouga have access to facilities and resources that libraries offer;
- To develop skills, preserve and conserve their culture and natural heritage
- Provision of a safe and free library service for reading and learning,
- Provision of a free and guided access to knowledge and information to support formal and informal education.

3.21.2. Levels and Standards of Library Services

The function of Library Services for the Municipality is as follows;
Kouga Municipality Libraries provide the community of Kouga with access to educational, informational and recreational material in general or for specific users
regardless of race, gender, age, language, financial or educational status.
The function includes the following activities:

- Collection, development and management,
- Development, promotion and maintenance of a reading culture through delivering of programmes
- Ongoing research, planning, monitoring and evaluation to improve service delivery,

3.21.3. Annual performance as per key performance as per key indicators in Library services

Description of the Activity and Analysis of the Function	Libraries	No. of Facilities	Actual
	Library facilities New Library Tokyo Sexwale granted by DSRAC AT the value of R2m Renovations of Patensie Library Facility by DRSAC at the value of R1,219m	13	12
	Lending out books, magazines, newspapers, Photocopy services, Free internet access, Outreach programmes.	218 160	154 392 8
	Number of library users	25370	278 707

3.21.4. Major challenges in Library Services and remedial action

KPI	CHALLENGE	POSSIBLE SOLUTION
Effective Library Services	Ablution Facilities in Weston Library Phillipsville & Ramaphosa Libraries still using pre – paid electricity	To build ablution facilities for the Weston Library – budgeted for 16/17 financial year. To facilitate the installation of conventional electricity by Infrastructure Dep (IPD)
	Staff shortages within the Kouga Libraries, especially in the new Libraries donated by DSRAC	Prioritizing of Library Assistants positions as critical vacancies

3.22. Occupational Health and Safety:

3.22.1. Occupational Health and Safety Service delivery strategy and Main role-players

- To implement an Occupational Health and Safety programme,
- Identification, evaluation, monitoring and control of all Occupational Health and Safety programmes of Council,
- To facilitate and coordinate the Occupational Health and Safety programmes to ensure compliance to all relevant legislation,
- Implementation of Health and Safety related work,
- To create awareness on all risks and changes in risks factors in areas regarded as high risk,
- To ensure the information available is adequate to achieve these objectives

3.22.2. Levels and Standards of Occupational Health and Safety

- Kouga Municipality and its staff believe that the prevention of injuries and exposure to disease of all the employees is of paramount importance to the organization in its quest to be a leader in Occupational Health and Safety.

3.22.3.The Functions of Occupational Health and Safety includes the following activities:

- To facilitate formal and informal training and development of employees, committees and reps; insuring health and safety awareness and dissemination of information with the aim of ensuring the best possible working conditions,
- To facilitate committee meetings, remedial actions and contractor control,
- To establish support structures for reps and committees
- To maintain OHS information, records and database
- To report on incident, trends, risks
- Incident investigation
- Internal Audits
- Monitoring of Legal Compliance

3.22.4. Annual performance as per key performance indicators in the Occupational Health and Safety Services

Description of the activities and analysis of the functions	Injuries on Duty	Sewer Plants Inspections		Water plants: Inspections		Waste Sites: Inspections	
		TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
Jeffrey's bay	16	144	80	144	70	96	34
Humansdorp	8	144	60	144	64	96	28
St Francis Bay	3	144	20	144	10	96	8
Gamtoos Valley	1	144	60	144	60	96	30

Key Issues for 2015/2016:

- Transforming manual data capturing system to New Integrated Data capturing system (Umehluko System) – August -2015

- Participated in the Occupational Health and Safety and HIV/AIDS Wellness Day programme for Kouga Municipality employees on the 15 December 2015 in Humansdorp at the Country Club Sport field in collaboration with the medical aids.
- Participated in the Occupational Health and Safety Flu vaccine program for Kouga Municipal employees in collaboration with Clicks Pharmacy from 25 May 2016 – 31 May 2016, total number of employees reached: 484.
  - The programme has started in Humansdorp on the 25 & 26 May 2016, 127 from the Humansdorp unit and 75 from St Francis bay had they vaccines done.
  - 27 May in Gamtoos Valley, Vusumzi Landu Hall, 68 attended and had they vaccines done.
  - 30 &31 May in Jeffrey's Bay, Newton Hall, 214 attended and had the Flu vaccines done.
- Medical Surveillance programme for all municipal employees is in progress and is awaiting the appointment of service provider to commence. A total of 306 employees to be screened and 93 to be vaccinated.

3.22.5. Major challenges in Occupational Health and safety section and remedial actions therefore.

KPI	CHALLENGE	POSSIBLE SOLUTION
Injury on Duty	Return of Earnings: Refusal of treatment of serious injuries of employees at Health Care facilities, which put employee's lives at risk.	To submit the ROE on time, pay the 20% of the amount owed to the Department of Labour and arrange for monthly payments on outstanding DEBT in order to get the Letter of Good Standing.
E.A.P. Employee Assistant Programme	Some employees are exposed to horrific scenes during fire, car accidents and emergency incidents which have a psychological effect on them. Employees suffer from anxiety and stress and often need professional help.	To make available the budget for 2016/2017 and seek the services of a professional that would be available when required.
Training and development	Training for the staff of Occupational I Health and Safety officers was approved but it never materialized.	Skills Development Office must take responsibility for implementation of the approved training by management.
Non-Functionality of Occupational Health and Safety Reps	Occupational Health and Safety Reps were elected, however no activities were done due to lack of training which leads to non - compliance	To facilitate the training needs of these Occupational Health and Safety Committees members, in order to comply with the OHS Acts and Regulations.

3.22.6. Annual Performance as per Key Performance Indicators in Environmental Health Services

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
OFFICE OF THE MANAGER: HEALTH & SOCIAL SERVICES					
1	Vacancy rate for all approved and budgeted posts;	Admin Clerk	0	0%	Awaiting appointment
		Bush Clearing Team Leader 6 x Machine Operator's	0	0%	Awaiting appointment
ENVIRONMENTAL HEALTH					
1	Vacancy rate for all approved and budgeted posts;	2 X EHP's	0	0%	Awaiting appointment
LIBRARIES					
1.	Vacancy rate for all approved and budgeted posts	Library Assistant	0	0%	Awaiting Appointment
		Senior Library Assistant, 2 x Library Assistants (Thornhill & Tokyo Sexwale)	0	0%	Not budgeted for but critical vacancies. Libraries donated by DSRAC
OCCUPATIONAL HEALTH & SAFETY					
1	Vacancy rate for all	Senior OHS Officer	0	0%	

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
OFFICE OF THE MANAGER: HEALTH & SOCIAL SERVICES					
1	Vacancy rate for all approved and budgeted posts;	Admin Clerk	0	0%	Awaiting appointment
		Bush Clearing Team Leader 6 x Machine Operator's	0	0%	Awaiting appointment
ENVIRONMENTAL HEALTH					
	approved and budgeted posts	OHS Officer	0	0%	Critical Positions – Audit Query
SPECIAL PROGRAMMES UNIT					
1	Vacancy rate for all approved and budgeted posts				
HIV / AIDS					
1	Vacancy rate for all approved and budgeted posts				

CHAPTER 4: LOCAL ECONOMIC DEVELOPMENT AND TOURISM

4.1 Local Economic Development

4.1.1 Local Economic Development Service Delivery Strategy

LED Strategy was reviewed in 2015. The Draft LED strategy is currently in place and is 80 % complete due to processes that need to be followed i.e. stakeholder engagement, council approval and adoption as well as advertising for public participation.

Main Role Players

Political Role Players
The Unit reports to the LED Portfolio Committee which is chaired by the Portfolio Chairperson for LED.

Staff role players
The staff component is comprised of the current staff members:

- Director LED, Tourism and Creative Industries
- Manager LED
- SMME Development officer
- Rural Development officer
- Agricultural Development Officer (Vacant)

Other role players
The unit teams up with many partners in order to facilitate the functioning of the department. These include amongst others: Dept. of Rural Development and Land Reform (DRDLR), Dept. of Rural Development and Agrarian Reform (DRDAR), Dept. of Economic Development, Environmental Affairs and Tourism (DEDEAT), Dept. of Trade and Industry (DTI), Dept. of Social Development, Coega Development Corporation (CDC), National Youth Development Agency(NYDA), Small Development Agency(SEDA), Gamtoos Irrigation Board (GIB), Dept. Water Affairs, Fishing and Forestry (DAFF), COGTA, Sarah Baartman District Municipality, New Generation Mindset (NGM).

Community role players
These include the Kouga Business Chamber, Kouga Black Business Chamber, Kouga Business and Rural Chamber, Kouga Emerging Farmers Forum, Kouga Cooperatives Forum, Kouga SMME Forum and members of the public who visit the LDED offices on a daily basis.

4.1.2 Annual Performance as per Key Performance Indicators in Local Economic Development

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	Existence of LED Unit	Fully functional unit	80% functional as the unit has been without an Agricultural Development officer for the whole year. Due to the non - employment of the Agricultural Officer, the current staff capacity was	80%

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
			overstretched therefore a 100% functionality could not be achieved.	
2	Existence of LED Strategy	Completion of LED Strategy review	Situational analysis done, draft revised LED Strategy done, Draft Rural Strategy done. Outstanding is the Stakeholder Engagement session, public comment and council adoption. Envisaged that this will be done by end September 2016.	90%
3	Percentage of LED Budget spent on LED related Activities	90%	Full budget could not be spent due to vacant Agricultural Officer post	92%
4	Number of LED Stakeholder Forum Meetings held	4	Regular engagements with the Kouga Business Chambers, meetings each with the Kouga Cooperative Forum, Kouga SMME Forum and the Kouga Business and Rural Development Form, as well as the Kouga Black Business Chamber	100%
5	Percentage of SMME's that have benefitted from a SMME Support Programme	100 SMME's	All the programmes have included SMME's registered on the Kouga LED database. - **160** **95 SMMEs** were trained on the following **(R171 000): *Catering*** – Basic and advanced; ***Baking*** – basic; **Sewing** – Basic and advanced: **Food Preserves and jam-making; Juice making; Food hygiene and food security;** **60 SMME's Business Start-up** **5 Youth SMME's Car wash equipment (R50 000)** **Fixed a brick-making machine for youth co-ops (R29 000)** **Cement slab for brick-making cooperative (R27 000)** **Took SMME's to Grahamstown SMME Indaba to exhibit and attend (R30 000)**	160%

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
			Container for Youth Coop for Job-seekers and SMME database compilation (R30 000) **Spent R120 000 for the year** Business Start-up – 120 **SMME's** - All Wards How to manage your business –75 **SMME's** – All Wards Financial Management – **6** Patensie Juice Factory Co-operative Management – 20 members of Cooperatives – All Wards **Outreaches: R 20 000** Outreaches done to all wards **(400 residents)** Development and assistance to Youth and Women (**60** participants)	
6	Number of job opportunities created through PPP	150	Partnered with LED Stakeholders such as SEDA, NYDA, NHBRC, ECDC, SARS, and Sarah Baartman District Municipality to bring services to the Kouga communities so that they can become economically viable. Jobs created through PPPS were mostly at events and festivals such as : **Provincial Heritage Festival – 85 Jobs** through procurement for services of Catering, Transport, security, cleaning; **National Fisheries Day – 43 Jobs** - Catering, Security, Transport, Cleaning **Women's Day Programme – 36 jobs –** Catering, Draping, Entertainment, Speakers, conference packs, Transport ; **SEDA Training & Certification – 8 Jobs** – Catering and Transport; **Youth in Business Event – 9 Jobs –** catering, transport, conference packs. Total **No. of Jobs : 181**	120%

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
7.	Green Energy	SMME's	Solar lights procured (**R40 000**) through SMME's for the beach-front	
8.	**AGRICULTURE & RURAL**		**Backyard Gardens** Launched Back-yard Gardens in collaboration with DRDAR and Social Development in Gamtoos Valley and certain coastal areas (195 community members in Patensie) Facilitated Training through DRDAR for 30 Emerging farmers on Food Safety and Security through preservatives and Jam-making (R28 000) **Commonage land for emerging farmers:** Facilitated for Commonage land for emerging farmers with land leases and DRDAR provided fencing in Gamtoos Valley (**R400 000**) KM providing water troughs to emerging farmers (R28 000) **Farming land:** Milton Farm was granted to emerging farmers by DRDLR Ablution facilities provided by Kouga Municipality – **(R29 000)** **Equipment for farmers:** Tractors procured for emerging farmers in Gamtoos Valley from DRDLR **(R400 000)** Farming tools procured for back-yard gardeners **(R27 000)** **Comprehensive Rural Development Programme (CRDP):** Declaration of Kouga rural wards as a prerequisite for beneficiation in the Comprehensive Rural Development Programme by the Department of Rural Development & Land Reform. **Fishermen:** Established Fishermen Stakeholder Forum in Kouga Facilitated representation of Kouga Fishermen Forum and	

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
			KM on the Small Scale Fishery Panel Took fishermen to Cape Town for audience with the Minister **(R12 000)** **Kouga Rural Economic Development Strategy (KREDS):** Kouga LED has successfully collaborated with Coega Development Cooperation for development of the Kouga Rural Development Strategy. A draft document is in place. **Transformation of the Gamtoos Valley Irrigation Board (GIB):** Following the establishment of a Task Team that comprised of Kouga Municipality, Department of Water Affairs, Gamtoos Valley Irrigation Board, Commercial and Emerging Farmers a Draft Constitution has been developed through a series of meetings and workshop. The Draft Constitution has been forwarded to the Minister of Water Affairs for approval and all stakeholders still awaiting feedback. **Kouga Fresh Produce Market:** Submissions from both private and public organizations had been made with the intention to partner with Kouga Municipality for the establishment of the Fresh Produce Market. LED has budgeted for the development of Business Plan for Establishment of Pack House Facility in Hankey. **Rural Alternative Energy Project:** Pilot project had been launched in Oyster Bay (ward 1) where 50 alternative energy stoves were handed over to 50 households by Prism Power. LED is currently sourcing	

	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
			funding from sector department to roll out the project in all rural wards. **(50 x R300 = R15 000)**	

4.1.3 Major Challenges in Local Economic Development and Remedial Actions

CHALLENGES	REMEDIAL ACTION
Limited Staff for the vast area of Kouga	Organogram to be reviewed
No Agricultural Development officer	Advertise and appoint officer
Emerging farmers support programme not as effective due to lack of staff member	Appoint Agricultural officer
Lack of updated database of SMME's, Cooperatives and job seekers	Working with Coega to remedy this. Will get training for one of the youth cooperatives to perform this function
Budgetary constraints	source more outside funding for programmes and projects through Public Private Partnerships
Nuclear readiness programme to be intensified	

4.2 Tourism and Creative Industries

4.2.1 Tourism and Creative Industries Service Delivery Strategy

The Tourism and Creative Industries Strategy has been compiled in 2010 and it is outdated. This strategy will be reviewed in the new financial year – 2016/17 The Kouga Heritage Plan has been completed in 2015 and adopted by Council in principle. The public has commented on the plan and a final Council Resolution on approval of the plan is awaited.

The Departmental Strategy for LED and Tourism is derived from the IDP and the SDBIP which is funded. From the SDBIP, work plans are created (in consultation with staff) to determine the implementation plans (timeframes and budgets included) for the year. This is monitored continuously and reported on throughout the year.

The Directorate has in place Memoranda of Agreements with the Kouga Local Tourism Organization, Kouga Heritage Council, Sports Council, Kouga Arts Council and the Humansdorp Museum. These are Public, Private Partnerships which are the umbrella bodies for the development of Tourism, Heritage, Museums and Sport in the Kouga Municipal Area. Grant in Aid as well as funding for special projects is given to these bodies in order to further the development of Tourism, Sports, Heritage and Museums in the Municipal Area. The municipality monitors these partnerships through meetings, discussions and quarterly reporting which are then tabled to Council.

Main Role Players

Political Role Players
There is a Portfolio Committee for Tourism and Creative Industries with a Councillor chairing the Committee. Apart from Tourism, Sport, Heritage and Museum issues, performing and visual arts are also handled by this committee.

Staff role players
The staff component consists of the following:
Director LED and Tourism and the PA
Manager Tourism
Tourism Officer (who handles heritage as added duties, which are not in her current job description)
Arts and Culture Officer (who handles sports as added duties, which are not in his job description)

Other role players
Department of Sports, Recreation, Arts and Culture, East Cape Parks and Tourism Agency, Department of Economic Development, Environmental Affairs and Tourism, Department of Education, South African Heritage and Resource Agency, Department of Social Development and Sarah Baartman District Municipality.

Community role players
Kouga Tourism Organization, Kouga Sports Council, Kouga Heritage Council, Humansdorp Museum, Kouga Arts Council, Trainers and Educators, Individuals.

4.2.2 Levels and Standard in Tourism and Creative Industries

Kouga Local Tourism Organization is currently the best performing Private Partner of this department. The Sports Council is known throughout the District as the best Local Sport Governing Body in a municipality. The Humansdorp Museums Committee has requested to run the Jeffreys Bay Shell Museum, which the Kouga Council has approved. (Item 15/11/TC12 and Item 16/05/TC1). This added function has been implemented during April 2016. They are very conscientious about this task and has worked diligently on this new project. The Heritage Council and the Arts Council still need ongoing assistance from the municipality in order to perform.

All our public partners have to submit quarterly reports on how they spent their grant in aid. They also have to report on any special projects that they get funding for.

4.2.3 Major challenges in Tourism and Creative Industries remedial action

Budget restrictions.
Permanent appointment for Sports, Arts and Culture Officer
Review of Tourism Sector Plan
Strengthening the Arts Council
Strengthening the Heritage Council or amalgamating it with the Museums Council.
One venue from where our Public Partners can operate.
Maintenance of tourism and heritage assets.

Speedier processes to allocate municipal property on long term lease to private partners in tourism, heritage, sports and arts.

4.2.4 Maintenance and improvement of assets, including in partnerships with private sector

Tourism signage development:

- Tourism Routes signs have been installed at the entrances of all areas of the Kouga Local Municipality.
- Jeffreys Bay Tourism Installed a Tourism Map and accommodation signs on the wall of the Municipality.
- Branding: The Kouga Local Tourism Organisation purchased branding for the outdoor and indoor events and an inflatable Combi tent that is used as an advertising stand at Tourism trade shows.
- St Francis Bay Tourism together with product owners repaired and rebranded all Bus Shelters in St Francis Bay with Kouga Tourism Banding.

Museums:

The Tourism Department sourced a Computer and a printer for the Humansdorp Museum for inventory and assets capturing of artefacts in the museum as well as advertising. The Museum was further assisted in the building of the disabled ramp for Universal Access, as well as purchasing of blinds and cleaning of the damp walls.

The Shell Museum was assisted through the installation of a security gate, lights and locks to improve the security. Cleaning of the garden outside the Shell Museum Complex was done by a private organization called 'Dorp van Drome' so as to improve the appearance of the museum for marketing purposes.

Repairs to the Kouga Cultural Centre:

The Kouga Cultural Centre was upgraded with the installation of a wall around the centre for security purposes. The security gates still need to be installed.

4.3 Annual Performance as Per Key Performance Indicators in Tourism and Creative Industries

KPI	Activities	Challenges
Tourism KLTO 1	**Kouga Local Tourism Organization (KLTO). R80, 000 grant in aid is given to the KLTO on a quarterly basis.** With this they support the three geographic information offices as well the umbrella body, the KLTO. Their main function is to market the Kouga as a whole. 30 reports were submitted on their expenditure and achievements. 105,176 bed nights were sold for the year. These Stats are only from members affiliated to our 3 geographic information centre, i.e. St Francis, Jeffreys Bay and Gamtoos. KLTO is an active public partner of the Municipality with a signed MOA between	Security, Maintenance and improvement of tourism assets, i.e. toilet facilities, shell kiosks, changing facilities, public buildings, public open spaces, reserves and caravan parks. Consideration of private long term leases of tourism municipal assets to improve and develop facilities and for extra income to the municipality, i.e. caravan parks, old shark aquarium and use of unused shell kiosks for private businesses and development businesses.

	the parties. The KLTO is in process of registering an NPO. The KLTO has an active website, distribute brochures and assist with general marketing and tourism signage.	A central office for the KLTO.
Town-ship tourism 2	**Loerie Development** A request was written to Sarah Baartman District Municipality to transfer the old Clinic outside Loerie to the KM in order to establish a tourism stop at venue.	Lack of response from SBDM on request for transfer of old clinic in Loerie to KM.
3	**Kruisfontein Adventures.** **R38,000 was given to start this project** St Francis Tourism is guiding the cooperative, Kruisfontein Adventures in Humansdorp to establish an adventure tourism project at Kruisfontein.	Land for Kruisfontein Adventures was in principle approved by Council but final approval to be finalized.
Events and festivals 4	**A total of R330,000 was allocated in the budget for this financial year.** 11 reports were submitted on events and festivals Kouga Municipality has an active events committee consisting of all departments in the KM as well as the SAPS. All events held in Kouga have to be approved by the events committee. Festivals financially supported are the Winter Fest (R110,000), Nautical Fest (R20,000), Citrus Fest (R20,000), Heritage Fest (R60,000), Opening of the Season (R30,000), New Year's Bash, Grahamstown Fest (R20,000) and various other ad hoc events R70,000) where funds are available.	Not enough funding for events, i.e. Winter Fest, Jazz Festival, Train Race, Planned canoe race through the Baviaans to the Ferri Hotel, Opening of the Season, New Year's Bash
Congresses 5	**Kouga exhibitions at congresses and indabas. R100, 000 budgeted for this financial year.** 6 reports submitted Congresses attended where the KLTO and KM market the Kouga Municipal area annually are the Indaba (R20, 000), Getaway in Johannesburg (R20, 000) and Cape Town (R20, 000), World Travel Market (R20, 000) and Beeld(R20,000).	Approval for Municipal Officials to attend these congresses as well.
Marketing material 6	**Advertising, brochures, website development and other marketing material.** **R70,000 was allocated in the budget**	

Signage 7	Final amendment for Kouga Map, printing of brochures, Printing of A3 booklets and distribution of aforesaid. **Tourism signage.** **R 25,000 was allocated to Tourism Signage.** Jeffreys Bay did signs at the municipal main building, St Francis fixed various signs an improved the bus shelters and Gamtoos Tourism fixed various signs.	Illegal signs in our towns need to be policed.
Arts KAC 8	**Kouga Arts Council (KAC)** **R96, 000 was allocated in the budget for the financial year.** Their main function is to be the umbrella body for Arts development in the Kouga Municipal Area. 27 reports submitted on achievements and challenges. Kouga Arts Council (KAC) is an active public partner of the Municipality with an MOA signed between the parties. Quarterly reports are submitted by the KAC to indicate how they spent grant in aid given to them. The KAC is in process of registering an NPO The KAC exhibited and performed at the Heritage Festival and the Provincial Arts Exhibition. Performers also participated in the New Year's Bash in Jeffreys Bay and various other events.	A central office for the KAC where training can also be done.
Arts Training 9	**R60, 000 was allocated in the budget for arts training.** Training was given to community members in Shell Craft, basket weaving, beading and mosaic. Funding was applied for to SBDM, and we currently have R250, 000 for Kouga's got Dance talent and craft training.	No set venue to do training and to sell their products.
Heritage 10	**Kouga Heritage Council and Kouga Heritage Plan** **R96,000 was budgeted for the financial year** Kouga Heritage Council (KHC) is a public partner of the Municipality and an MOA was signed between the parties. Quarterly reports are submitted by the KHC to indicate how they spent grant in aid given to them. KHC is in the process of registering as NPO.	A Central office for the Heritage Council is required where exhibits can be done. The Heritage Council needs to be revived and become more active.

	22 reports were submitted by the Heritage Council and the Museum. With the funding Kouga Heritage Plan has been compiled and was approved in principle by Council; it has gone out for public comment. The plan must now be finally approved by Council with these comments included. With some of the funding, the Humansdorp museum and the Shell Museum were improved and maintenance work was done. Heritage Month was celebrated in Hankey in Partnership with Provincial Government and DSRAC.	Repairs and Maintenance of Heritage Assets is required. Lack of communication with National Department Arts and Culture regarding the Sarah Baartman Development in Hankey is a concern.
Humansdorp museum 11	**Humansdorp Museum** **The budget for Humansdorp Museum was R24, 000 for this financial year.** Humansdorp Museum is a public partner of the Municipality with an MOA's signed between the parties. Quarterly reports are submitted by the HM to indicate how they spent grant in aid given to them. The HM is in process of registering as an NPO's. An application was submitted to Council for Humansdorp Museum (and J Bay Tourism) to run the Shell Museum as the Shell Museum has no curator, no overseer and is one of the only two shell museums in the country. This was approved by Council. The Humansdorp Museum has since, with the financial assistance and in partnership with the Municipality, improved security, installed locks to all the cupboards, cleaned all the cupboards and shells, improved name plates, had an information session between the Global Leadership School and SA Fisheries. A part time assistant has been appointed at the Shell museum and Humansdorp Museum. They have also, with the assistance of the municipality, purchased a computer and printer, and did maintenance work to the Humansdorp Museum. The museum had a wonderful exhibition at the Fountain's Mall on Museums day.	Humansdorp Museum wishes to move to a larger building where they can exhibit artefacts of all cultures as the current building is too small.
Sport, KSC 12	**Kouga Sports Council (KSC)**	Safety and Security, Management and

Sport Training 13	**R100,000 was allocated to the Sports Council for the financial year/** 29 reports were submitted on KSC budget spending and achievements. KSC is an active public partner of the Municipality with an MOA signed between the parties. Quarterly reports are submitted by the KSC to indicate how they spent grant in aid given to them. The KSC has finalized their registration as an NPO. Sporting program were arranged for schools in Hankey during heritage day. Sport kit was distributed to the Hankey Sport Hub through collaboration with DSRAC. A very successful Easter Beach Sport Program was arranged where persons could participate in Volley Ball, Touch Rugby and Soccer. **Sport Training** **R100, 000 was budgeted for sport training and sport development.** Training: Cricket training program for primary schools, Hankey Sports Hub Training, Soccer Referee Training, Application submitted for erf 5479 to be used for cricket development as there are no facilities in Kouga. Outstanding sportsmen/women were financially assist in various programs, i.e. Karate: to compete in the competition in East London where they received 8 trophies and also to compete in the National Karate Tournament in Cape Town; Three employees of Kouga to represent the Eastern Province in the Senior Interprovincial Golf Tournament; Bodybuilding: to participate in the amateur Arnold Classic Africa Body Building Competition, Boxing: to participate in Uitenhage Boxing Tournament, Rugby: Glover to participate in the Rugby Craven Week, Tennis: to participate in the Tennis Veterans Championships, and a gymnast to participate in a provincial tournament.	Maintenance and Sport Fields. Lack of sporting facilities, i.e. cricket, who applied for use of land for cricket development. Volley Ball is currently renting the Hall of the Jeffreys High School.
Kouga Cultural Centre	**R400,000 was allocated for repairs and maintenance of the Kouga Cultural Centre.** 16 reports were submitted on the Repairs and maintenance to toilets, locks for doors, re-installation of windows and	The KCC is currently closed to the public due to vandalism.

	building of a boundary wall. We are currently busy with the installation of security gates. Various queries were submitted regarding the occupation of NGM of the KCC.	Planning for the new financial year is to redo the thatch roof, fix all the windows and doors and have a general clean up. There is no security and people come and go as they please as the KCC has only one cleaner as staff. There is no final contract with NGM to occupy the Centre.

4.4 Festivals and events.

The Kouga festival committee approved 94 events/festivals that were held during the year. These events/festivals were mainly private, and often made use of municipal land.

Apart from above, 11 Festivals and events that were held/attended in partnership with the Kouga Municipality were Winter Fest: 8-19 July 2015; Women's Day Celebrations, 14 August 2015; Getaway Show, Johannesburg, 28-30 August 2015; Heritage Festival, 23-24 Sept 2015; New Year's Bash, 31 Dec 2015; Beeld Show 26 – 27 Feb 2016, Getaway Show, Cape Town, 1 – 3 April 2015; Nautical Festival, 29 –April – 1 May 2016; Citrus Festival, 11 June 2016; World Travel Market, Cape Town, 6 – 8 April 2015, Indaba, 6 – 9 May 2016.

4.5 Number of tourism bed nights sold in the Kouga: 105,176

4.6 Training, development and support (Sport, Heritage, Tourism)

4.6.1 Trainings

4.6.1.1 Hankey Sports Hub Training:
Three coordinators received training in Tsitsikamma from 28 to 31 January 2016.

4.6.1.2 Cricket Training for schools: August to October 2015:
Mzingisi Primary School: 25 – 30 children
Pellsrus Primary: 20 – 30 children
Kings College: 14 children
Makukhanye Primary

4.6.1.3 Referee Training
4 referees received soccer referee training

4.6.1.4 Tourism
12 Tourism Buddies and Safety and Security Training on Customer Care in preparation for the December Summer Season: 24 November 2015

4.6.1.5 Heritage training:
Tourism Awareness campaign: 30 learners from Jeffreys Bay Comprehensive High School: 2 December 2015

4.6.2 **Development and support**

4.6.2.1 **Karate: Ashihara Karate (youth)**

Financially assisted the youth from Hankey in competing in a Karate Competition in East London where they won 8 trophies.
Financially assisted the youth from Hankey in competing in a Karate Competition in Cape Town on 30 April 2016.

4.6.2.2 **Golf**

Financially assisted the Kouga employees that won their EP golf colours to participate in the Senior Interprovincial Golf Tournament in May 2016.

4.6.2.3 **Boxing (youth)**

Financially assisted the Andile Boxing Club to participate in a boxing tournament in Uitenhage on 26 June 2016.

4.6.2.4 **School Sport**

Organized and financially assisted 9 schools to participate in the Heritage Program in Hankey in September 2015, where they also received sporting kit.

4.6.2.5 **Hankey Sports Hub**

A Sports Hub was formed together with DSRAC in Hankey with the aim of keeping the youth off the streets and to minimise drug and alcohol abuse in the area. Sporting Kit was handed over to the Hankey Sports Hub with the assistance of DSRAC.

4.6.2.6 **Soccer, Volley Ball, Rugby**

Hosted the Easter Beach Sports Program in conjunction with the Kouga Sports Council from 25 – 28 March 2016. Programme was well received and will be repeated next year.

4.6.2.7 **National Representation of Individual**

A number of individuals have been assisted by the department when they were selected to represent South Africa in their respective sporting code.

4.7 **Number of Jobs created through tourism and creative industries**:

38 temporary jobs plus 21 groups amounting to 105 temporary jobs
Total number of jobs created: **143**

CHAPTER 5: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

5.1. FINANCIAL HEALTH OVERVIEW

In order to provide a financial overview of the significant outcomes for the 2015/16 financial year, it is necessary to compare the 2015/16 Adjustments Budget, the actual financial results, the actual cash inflows and outflows, and the actual expenditure and revenue trends for the period, 1 July 2015 to 30 June 2016.

The financial performance highlights, based on the audited results, are as follows:

5.1.1. Financial Performance

Actual operating revenue (excluding capital grants) amounted to R 588,318 million, whilst actual operating expenditure amounted to R 641,955 million, resulting in an operating deficit of R 53,637 million. The 2015/16 Adjustments Budget for operating revenue (excluding capital grants) amounted to R 589,623 million, whilst operating expenditure amounted to R 643,764 million, resulting in a budgeted deficit of R 54,141 million.

It should be noted that the 2015/16 actual operating revenue of R 665,835 million, includes an amount of R 77,517 million, which relates to capital grants recognised. Similarly, an amount of R 80,800 million was included in the Adjustments Budgeted amount of 670,423 million, which relates to capital grants.

The following, however, needs to be noted:

The operating revenue for Property Rates and Service Charges was lower than anticipated in the 2015/16 Adjustments Budget, due to the following factors:

Property Rates

Property rates revenue raised amounted to R 135,339 million, compared to the Adjustments budgeted amount of R 136,786 million. It should be noted that the revenue raised, has been reduced by an amount of approximately R 12,895 million, relating to free basic services provided to qualifying indigent consumers, in accordance with the Municipality's Indigent Policy, which is funded from the equitable share.

After taking into account the indigent subsidies, the Property Rates Revenue raised was approximately R 1,446 million less than budgeted.

Service charges – Electricity Revenue

Electricity revenue raised, amount to R 234,162 million, compared to the Adjustments budgeted amount of R 211,141 million. It should be noted that the revenue raised, has been reduced by an amount of approximately R 3,732 million, relating to free basic services provided to qualifying indigent consumers, in accordance with the Municipality's Indigent Policy, which is funded from the equitable share.

After taking into account the indigent subsidies, the Electricity Revenue raised was approximately R 23,021 million more than budgeted. This is attributable to actual electricity consumption patterns being higher than anticipated.

Service charges – Water Revenue

Water revenue raised, amounted to R 37,380 million, compared to the Adjustments budgeted amount of R 50,964 million. It should be noted that the revenue raised has been reduced by an amount of approximately R 12,249 million, relating to free basic services provided to qualifying indigent consumers, in accordance with the Municipality's Indigent Policy, which is funded from the equitable share.

After taking into account the indigent subsidies, the Water Revenue raised was approximately R 13,584 million less than budgeted. This is attributable to actual water consumption patterns being lower than anticipated

Service charges – Sanitation Revenue

Sanitation revenue raised, amounted to R 40,541 million, compared to the Adjustments budgeted amount of R 37,490 million. It should be noted that the revenue raised has been reduced by an amount of approximately R 6,624 million, relating to free basic services provided to qualifying indigent consumers, in accordance with the Municipality's Indigent Policy, which is funded from the equitable share.

After taking into account the indigent subsidies, the Sanitation Revenue raised was approximately R 3,051 million more than budgeted.

Service charges – Refuse Revenue

Refuse revenue raised, amounted to R 48,735 million, compared to the Adjustments budgeted amount of R 35,620 million. It should be noted that the revenue raised has been reduced by an amount of approximately R 14,334 million, relating to free basic services provided to qualifying indigent consumers, in accordance with the Municipality's Indigent Policy, which is funded from the equitable share.

After taking into account the indigent subsidies, the Refuse Revenue raised was approximately R 13,115 million more than budgeted.

Property Rates and Services Revenue:

Property Rates and Services	2015/16 Adjustments Budget (including indigent subsidies)	Actuals 2015/16 (including indigent subsidies)	Variance	Indigent Subsidies
	R'000	R'000	R'000	R'000
Property Rates	136,786	135,339	-1,446	12,895
Electricity	211,141	234,162	23,021	3,732
Water	50,964	37,380	-13,584	12,249
Sanitation	37,490	40,541	3,051	6,624
Refuse	35,620	48,735	13,115	14,334
Total	472,001	496,157	24,156	49,834

Fines:

The revenue amounted to R 9,798 million, compared to the adjustments budgeted amount of R 2,396 million. The previous year's actual amounted to R 3,599 million.

The Fines Revenue raised was approximately R 7,402 million more than budgeted. This is attributed to camera fines being higher than anticipated.

Rental of facilities and equipment:

The revenue amounted to R 0,744 million, compared to the adjustments budgeted amount of R 0,551 million. The previous year's actual amounted to R 1,395 million.

The income derived from this revenue source, should be further enhanced by charging market related rentals relating to all Council's properties. An investigation should be undertaken to ascertain the revenue potential of this source, including the factors that are impeding this revenue source from achieving its full potential.

Transfers recognised – Operational:

The revenue amounted to R 90,660 million (99.54%), compared to the Adjustments budget amount of R 91,083 million.

The following accounts for the performance of grants and explains the variance:

DORA Operating Grants:

1. **Expanded Public Works Programme (EPWP)**

a) This grant is to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods.

DORA Allocation:	R 1,000,000
Amount of Grant Received:	R 1,000,000
Actual Expenditure:	R 1,000,000
Unspent as at 30 June 2016	**R 0**

As at 30 June 2016, the DORA allocation was fully spent.

2. **Finance Management Grant**

This grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

DORA Allocation:	R 1 600 000
Amount of Grant Received:	R 1 600 000
Actual Expenditure:	R 470,449
Unspent as at 30 June 2016:	**R 1,129,551**

As at 30 June 2016, the DORA allocation was not fully spent.

3. **Municipal Systems Improvement Grant**

This grant is to assist municipalities in building in-house capacity to perform their functions and to improve and stabilize municipal systems.

DORA Allocation:	R 930 000
Amount of Grant Received:	R 930 000
Actual Expenditure:	R 16 530
Unspent as at 30 June 2016:	**R 913,470**

As at 30 June 2016, the DORA allocation was not fully spent.

Other Operating Grants

4. Provincial: Housing Infrastructure:

This grant is to provide funding to upgrade infrastructure to unlock human settlements and create sustainable human settlements.

Provincial Allocation:	R 33 516 211
Amount of Grant Received:	R 33 516 211
Actual Expenditure:	R 33 516 211
Unspent as at 30 June 2016:	**R 0**

As at 30 June 2016, the allocation was fully spent.

Licences and Permits:

Licences and permits revenue amounted to R 6,066 million, compared to the adjustments budgeted amount of R 8,522 million. This main reason for the variation is an under collection of vehicle licences and registrations.

Interest Earned – External Investments:

Interest earned – External investments amounted to R 5,031 million, compared to the adjustments budgeted amount of R 2,984 million. This was mainly due to additional investments being made during the 2015/16 financial year, including slightly higher interest rates being available for investment purposes.

Interest Earned – Outstanding Debtors:

Interest earned – Outstanding debtors amounted to R 3,307 million, compared to the adjustments budgeted amount of R 3,715 million. This revenue source has decreased from R 6,246 million in the 2015/16 Original Budget to R 3,715 million in the 2015/16 Adjustments Budget.

Interest is also influenced by the extent of outstanding debtors. The interest raised on outstanding debtors may not necessarily result in a cash inflow for the Municipality.

Other revenue:

Other revenue amounted to R 10,683 million, compared to the Adjustments budgeted amount of R 8,370 million. Other revenue includes the augmentation fees, building plan fees, caravan park fees and other sundry income.

The Operating Expenditure was lower than anticipated in the 2015/16 Adjustments Budget, due to the following factors:

Employee Related Costs:
Employee related costs amounted to R 228,679 million, compared to the adjustments budgeted amount of R 217,587 million.

Employee related costs was approximately R 11,092 million more than the adjustments budgeted amount. This is attributable to the actuarial valuation of employee benefits.

Depreciation and Amortization:
The Depreciation and Amortization amounted to R 87,292 million, compared to the adjustments budgeted amount of R 80,714 million.

Depreciation and Amortization expenditure was approximately R 6,578 million more than the adjustments budgeted amount. This is attributable to the additional depreciation processed relating to landfill sites and additional assets purchased during the 2015/16 financial year.

Debt impairment:
Bad debts are written off upon Council's approval. Debt impairment amounted to R 22,593 million, compared to the adjustments budgeted amount of R 27,981 million. Debt impairment was consequently R 5,388 million less than anticipated in the 2015/16 Adjustments Budget.

Bulk Purchases:
The Bulk purchases amounted to R 204,008 million, compared to the Adjustments budgeted amount of R 189,634 million.

The Bulk purchases expenditure was approximately R 14,374 million more than budgeted. This is attributable to the Nelson Mandela Bay Municipality bulk water account of R 46 million received by the municipality in May 2016. According to the Nelson Mandela Bay Municipality, the Kouga Municipality was incorrectly billed from December 2012 to April 2016.

Repairs and Maintenance:
Below is an analysis of actual repairs and maintenance expenditure by Directorate, compared to the 2015/16 Adjustments Budget.

Directorate	Adjustments Budget R	Actual as at 30 June 2016 R	% of Adjustments Budget
Administration, Monitoring & Evaluation	770 744	567 851	73.68%
Financial Services	612 162	1 339 102	218.75%
Social Services	9 025 353	6 483 060	71.83%
Infrastructure, Planning & Development	24 294 110	21 232 924	87.40%
LED, Tourism & Industries	402 898	-40 168	-9.97%
Total	**35 105 267**	**29 582 769**	**84.27%**

Repairs and maintenance was therefore underspent by an amount of R 5,522 million, compared to the 2015/16 Adjustments Budget.

General expenses:
The under spending on General Expenditure, in the amount of R 26,745 million, is attributable to the lower than anticipated spending on various expenditure items. The following table reflects the items in question:

Item Description	2015/2016 Adjustment Budget	Actuals	Under / (Over) Spending
	R	R	R
190 Servitude	215 499	-	-215 499
210 Educational & Promotional Equipment / Material	16 544	-	-16 544
Advertising	370 000	369 112	-888

Agriculture Production	9 100	9 100	-
Animal Control	21 200	-	-21 200
Audit Fees	5 000 000	3 407 665	-1 592 335
Bank Charges	639 568	638 540	-1 028
Beach Stalls	100 000	44 052	-55 948
Blue Drop	50 000	-	-50 000
Books and Publications	20 000	-	-20 000
Business Seminar and Networking Sessions	20 000	8 780	-11 220
Camera Fines Commission	-	448 021	448 021
Capacitation of SMME's and Cooperatives	150 000	103 810	-46 190
Cell Phone Contracts	1 284 486	1 066 933	-217 553
Cemetery development	250 000	1 610	-248 390
Chemicals	2 150 000	2 114 296	-35 704
Collection Charges(Third Party Payments)	513 711	680 312	166 601
Committees : Wards	1 184 500	104 409	-1 080 091
Commonage Management	24 000	-	-24 000
Computer Services	110 000	97 725	-12 275
Congress & Delegates Expenses	977 410	605 741	-371 669
Connection Expenses	878 669	565 070	-313 599

Item Description	2015/2016 Adjustment Budget	Actuals	Under / (Overs) Spending
Consultant/Professional Fees	1 713 001	846 758	-866 243
Consumables	628 852	472 343	-156 509
Cooperatives Support	80 000	17 452	-62 548
Disaster Management	300 000	-	-300 000
E.I.A. Study	1 310 000	518 443	-791 557
Educ. & Awareness W/Shops Beautification	53 000	1 305	-51 695
Educational Tour - Expenditure	10 000	-	-10 000
Emergency Relieve	258 000	126 592	-131 408
Emerging Farmers Support	3 575	3 575	-
Employee Assistance Programme (Wellness)	20 000	-	-20 000
Equipment	50 000	-	-50 000
Events/Imbizos	50 000	-	-50 000

Festive Lights	19 223	19 223	-
First Aid Kits	20 000	-	-20 000
Fisherman Stakeholders Forum	1 750	-	-1 750
Fuel	7 536 298	5 825 612	-1 710 686
Fuel (Small Plant)	462 126	570 007	107 881
General Expenses - Other	-	31 125	31 125
Grant (Expenditure)	100 000	444 484	344 484
Grant : MFMG (Exp)-Intern Salaries	1 600 000	169 684	-1 430 316
Grant : MSIG (Exp)-Turnaround Program	930 000	14 500	-915 500
Grants and Donations	80 000	41 477	-38 523
Hand Tools	51 489	39 506	-11 983
Health Days	30 000	-	-30 000
Heritage Committee	96 000	64 300	-31 700
IDP Grant	60 000	-	-60 000
Insurance Premiums	2 057 507	1 993 605	-63 902
Internal Audit Agency	1 500 000	321 314	-1 178 686
Interview Expenses	17 326	17 326	-
Inventory Items	490 962	42 392	-448 570
Job Evaluation Cost	350 000	166 143	-183 857
Laboratorium Tests/Analysis	489 332	254 435	-234 897

Item Description	2015/2016 Adjustment Budget	Actuals	Under / (Over) Spending
Launch : Local	15 457	15 457	-
LED Plan Review	30 000	26 422	-3 578
Legal Expenses	2 000 000	2 054 910	54 910
Licences	703 486	690 874	-12 612
Life Saving Services	15 400	-	-15 400
Local Business Attraction & Retention Strategy	80 000	70 175	-9 825
Lost Title Deeds	27 000	20 875	-6 125
Medical and Safety Kits	52 093	40 320	-11 773
Medical Vaccinations	300 000	-	-300 000
Membership Fees	14 500	-	-14 500

MOA with Arts Council	96 000	96 000	-
MOA with Sports Council	100 000	100 000	-
Municipal Planning Tribunal	200 000	-	-200 000
Network Connection	2 067 651	570 480	-1 497 171
Newspapers	28 170	2 618	-25 552
Night Soil Buckets	15 000	-	-15 000
Oil	152 736	88 677	-64 059
Opening of Council	210 000	109 574	-100 426
Operating Lease	8 611 451	5 517 316	-3 094 135
Pauper Burials	34 200	600	-33 600
Pest Control	30 000	19 561	-10 439
Photocopier Charges	157 615	-	-157 615
Planning Fees	312 000	203 051	-108 949
Postage	1 316 205	1 364 791	48 586
Pound	2 500	-	-2 500
Prepaid Finance Cost	2 455 530	3 112 920	657 390
Printing and Stationery	819 918	621 395	-198 523
Printing Newsletter	9 557	910	-8 647
Projects	50 000	40 323	-9 677
Public Catering Costs	200 000	137 491	-62 509

Item Description	2015/2016 Adjustment Budget	Actuals	Under / (Over) Spending
Rebate : Developer	1 045 249	1 042 506	-2 743
Rebate : Developer : C-Max	74 588	74 588	-
Refuse Bins/Bags	750 633	612 934	-137 699
Registration Fees	29 825	29 825	-
Renewable Energy Programme Support	40 000	33 832	-6 168
Rental : Mobile Toilets	1 440 000	1 332 943	-107 057
Repair and Rehabilitation of Roads and Walkways	671 419	658 190	-13 229
Research and Analysis	25 000	-	-25 000

SAMRO		21 930	21 930
Search Fees	77 701	65 940	-11 761
Seasonal programme	807 630	708 995	-98 635
Security	463 982	485 292	21 310
Shell Festival	330 000	329 995	-5
Shortages	196	2 046	1 850
Sign Boards	5 000	3 024	-1 976
Signage	15 000	-	-15 000
Special Projects	319 750	170 559	-149 191
St Francis Beach Rehabilitation		1 213 453	1 213 453
Statutory Obligations	2 137 250	-	-2 137 250
Strategic Planning	100 000	-	-100 000
Subscriptions	12 310	-	-12 310
Subsistence & Travelling (Councillors)	76 600	-	-76 600
Subsistence & Travelling (Officials)	434 733	-	-434 733
Sundry Expenses	3 918 116	1 316 074	-2 602 042
Support for Rural Development Structure	323 250	287 819	-35 431
Support to Humansdorp Museum	24 000	24 000	-
System Training	5 000	-	-5 000
Telephones	2 900 000	2 351 316	-548 684
Tools and Equipment	20 000	-	-20 000
Tourism Development	50 000	50 000	-
Tourism Signage	25 000	25 000	-
Tourism Support	320 000	240 000	-80 000
Trade and Investment Strategy	70 000	61 404	-8 596
Trade Shows and Congresses	60 000	7 980	-52 020
Training	348 762	-	-348 762
Training Programme : Arts & Crafts	60 000	60 000	-
Training Programme : Sports	80 000	75 102	-4 898
Turnaround Program	665 000	134 684	-530 316
Uniforms & Protective Material	1 402 078	912 325	-489 753

Item Description	2015/2016 Adjustment Budget	Actuals	Under / (Over) Spending
Valuation Costs	3 000 000	498 852	-2 501 148
Vector Control Equipment	10 000	1 485	-8 515
Water Management Plan Implementation	150 000	68 201	-81 799
Website	7 200	-	-7 200
Woman in Business Forum including Womens Networking session	100 000	87 844	-12 156
Youth Car Wash Projects	50 000	-	-50 000
Total	**76 904 869**	**50 159 655**	**-26 745 214**

Conclusion:

The Municipality recorded an actual operating deficit of R 53,637 million, compared to the adjustments budgeted deficit of R 54,141 million.

5.1.2 Statement of Financial Position

Net Assets:

Net Assets increased from R 2,387 billion (2014/15) to R 2,411 billion (2015/16) due to the following:

Non-current Liabilities:

- Long-term liabilities decreased from R 49,637 million in 2014/15 to R 37,504 million in 2015/16, due to the redemption of loans. No loans were taken up during the 2015/16 financial year. As a result of financial affordability considerations, no further loan funding is anticipated over the 2016/17 MTREF.
- The Employee Benefit Liabilities increased during the 2015/16 financial year, based on an actuarial valuation. The liabilities consequently increased from R 73,577 million in 2014/15 to R 79,436 million in 2015/16. The Employee Benefit Liabilities consist of Post-Retirement Health Care Benefits and Ex-Gratia Pensions.
- Non-current Provisions increased from R 37,578 million in 2014/15 to R 60,885 million in 2015/16, due to the increase in Long Service Awards and Rehabilitation of Landfill Sites provisions.

The net result is that the increase in non-current liabilities, accounted for a movement of R 17,033 million in the net assets of the municipality.

Current liabilities:

Consumer Deposits
Consumer deposits increased from R 8,593 million to R 9,590 million, mainly due to an increase in applications for new water and electricity connections.

Provisions
The current provisions increased from R 29,882 million to R 31,716 million, mainly due to the leave provision being increased in the 2015/16 financial year.

Unspent conditional grants and receipts
It is to be noted that unspent conditional grants increased from R 5,830 million in the 2014/15 financial year to R 7,842 million in the 2015/16 financial year.

It must be noted that in relation to the Non-DORA Provincial Housing grant, an amount of R 5,014 million remained unspent as at 30 June 2016, which will be spent once the bulk infrastructure is upgraded.

Payables – Exchange Transactions
Payables have increased by R 12,069 million from R 110,898 million in 2014/15 to R 122,967 million in 2015/16. The increase was mainly due to a significant bulk water account the municipality received from the Nelson Mandela Bay Municipality.
According to the Nelson Mandela Bay Municipality, the Kouga municipality was incorrectly billed from December 2012 to April 2016.

Payables – Non-Exchange Transactions
Payables have increased by R 2,912 million from R 13,241 million in 2014/15 to R 16,153 million in 2015/16. The increase was due to an increase in the sundry deposits held by the municipality.

Current Portion of Long-Term Liabilities
The current portion decreased by R 3,134 million from R 10,890 million in 2014/15 to R 7,736 million in 2015/16.

The net result is that the increase in Current liabilities, accounted for a movement of R 16,690 million in the Net Assets of the Municipality.

Non-current Assets:

- Property, Plant and Equipment increased by R 20,628 million from R 2,512 billion in 2014/15 to R 2,532 billion in 2014/15.

- Intangible Assets, Investment property and Long-term receivables reflected slight movements.

The net result is that the increase in Non-current assets accounted for a movement of R 19,792 million in the Net Assets of the Municipality.

Current Assets:

Receivables from exchange transactions
The increase in receivables amounted to R 5,037 million, or 11.56%, when compared to the previous financial year.

Year	Gross Balances R	Impairment Allowance R	Carrying Amount R
2014/15	109 176 025	65 597 507	43 578 518
2015/16	121 544 273	72 928 701	48 615 571
Increase	**12 368 248**	**7 331 194**	**5 037 053**

Receivables from non-exchange transactions
The Receivables from non-exchange transactions decreased from R 34,835 million to R 29,303 million, due to the decrease in Assessment Rates Debtors and Sundry Debtors.

Cash and Cash Equivalents
Cash and cash equivalents increased by R 38,891 million from R 39,682 million in 2014/15 to R 78,573 million in 2014/15.

The net result is that the increase in Current assets accounted for a movement R 37,811 million in the Net Assets of the Municipality.

Conclusion:
The Municipality's financial position been influenced by the following factors:

- Cash and cash equivalents increased by R 38,891 (98.01%) million from R 39,682 million in 2014/15 to R 78,573 million in 2015/16.

- Current Liabilities increased by R 16,690 million (9.31%) from R 179,313 million in 2014/15 to R 196,003 million in 2015/16.

- The continued escalation in outstanding debtors poses a risk to the municipality's financial sustainability.

5.1.3 FINANCIAL INDICATORS

The following ratios reflect the municipality's relative financial viability and sustainability:

Borrowing Management		Actuals as at 30 June 2012	Actuals as at 30 June 2013	Actuals as at 30 June 2014	Actuals as at 30 June 2015	Actuals as at 30 June 2016
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	3.78%	3.79%	4.83%	4.50%	3.67%
Borrowed funding of "own"capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	0%	0%	0%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.05	0.05	0.06	0.05	0.04
Liquidity						
Current Ratio	Current assets / current liabilities	1.46	0.54	0.54	0.72	0.85
Liquidity Ratio	Monetary assets / current liabilities	0.10	0.10	0.16	0.22	0.40
Revenue Management						
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	94.12%	96.33%	96.07%	98.91%	97.60%

Other indicators		Actuals as at 30 June 2012	Actuals as at 30 June 2013	Actuals as at 30 June 2014	Actuals as at 30 June 2015	Actuals as at 30 June 2016
Cost coverage	(Cash and cash equivalents - Unspent Conditional Grants - Overdraft) + Short term investment)/monthly fixed operational expenditure excluding (depreciation, amortization, provision for bad debts, impairment	0.09 Months	0.23 Months	0.25 Months	0.82 Months	1.60 Months

	and loss on disposal of assets)					
Employee Costs	Employee Costs / Total Operating Expenditure	33.02%	35.41%	35.32%	36%	36%
Capital Expenditure	Capital Expenditure / Capital Budget	82.33%	78.84%	21.35%	241.30%	81.97%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	2.78%	3.52%	3.81%	4.46%	4.61%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	0.59%	0.79%	0.95%	1.06%	1.17%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	89.98%	87.04%	87.21%	69.55%	74.74%

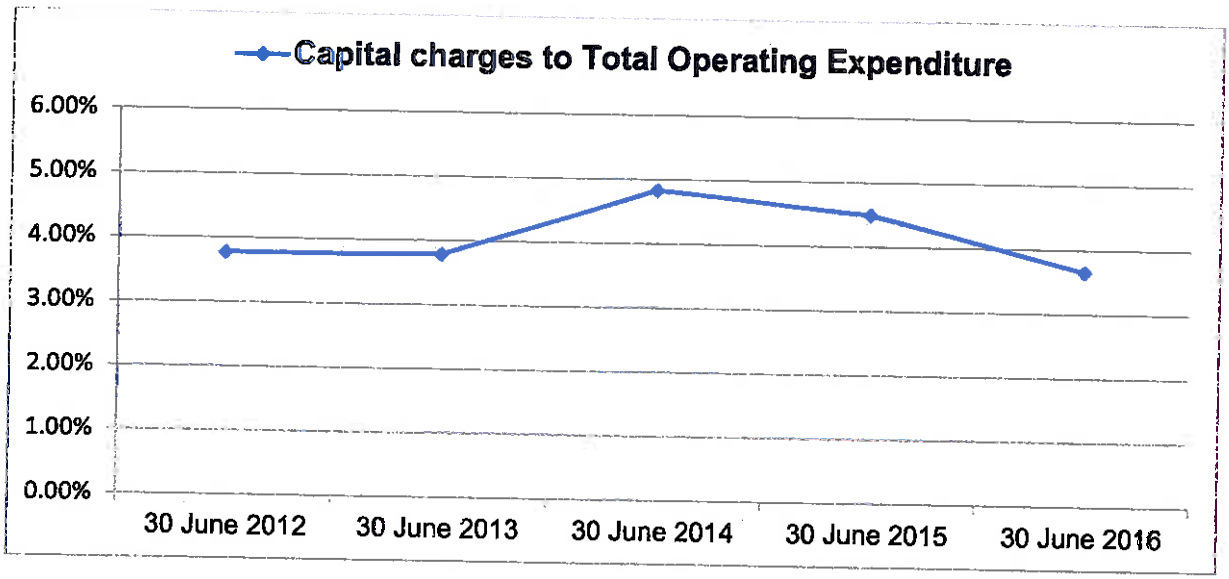
The above table is discussed in details below.

5.1.3.1 Capital charges to Operating Expenditure

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as percentage of Total Operating Expenditure.

Capital charges/Total Operating Expenditure to date

The ratio indicates that 3.67% of the Total Operating Expenditure was utilised for capital charges as at 30 June 2016, whilst the Municipality's audited ratio as at 30 June 2015 was 4.50%.



5.1.3.2 Borrowed funding of capital expenditure

This ratio indicates the proportion of borrowed funding to actual capital expenditure to date (excluding transfers and grants). The ratio also indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant funded expenditure.
The ratio is determined as follows:

Capital expenditure funded from Borrowings/Total Capital Expenditure to date (excluding transfers and grants)

As at 30 June 2016, the was 0% as no capital expenditure was funded from borrowings, whilst the Municipality's audited ratio as at 30 June 2015 was also 0%.

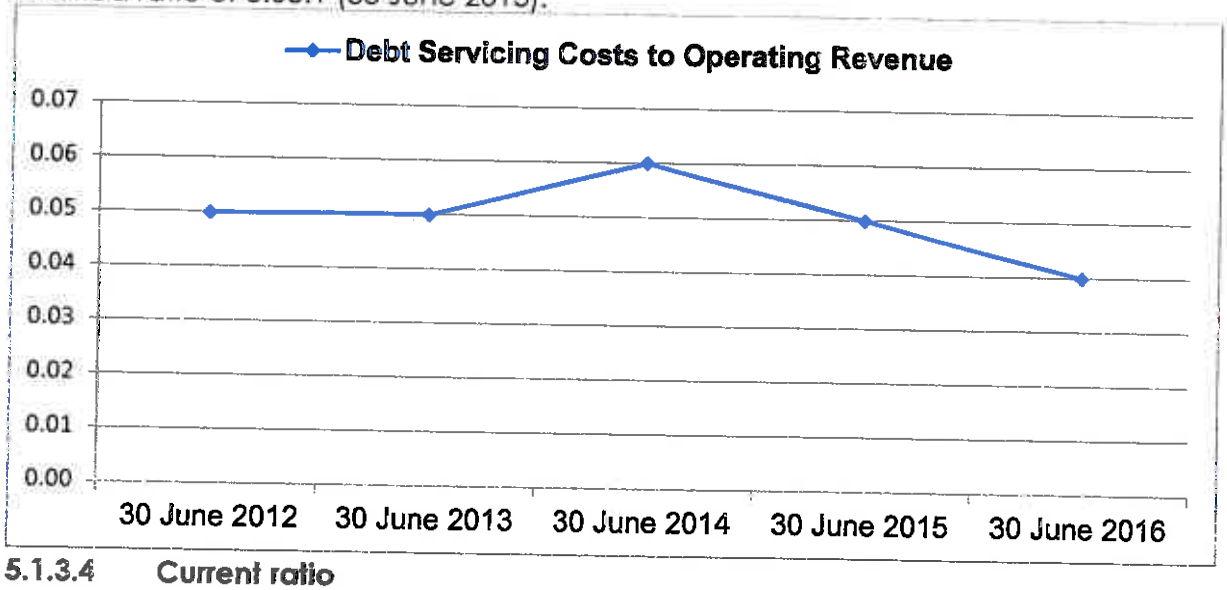
5.1.3.3 Debt Servicing Costs to Operating Revenue Ratio

This ratio indicates the proportion of debt servicing costs (interest and principal paid on borrowing) to actual operating revenue to date.

The ratio is determined as follows:

Debt Servicing Costs/Operating Revenue

As at 30 June 2016, the ratio was 0.04:1, compared to the previous financial year audited ratio of 0.05:1 (30 June 2015).

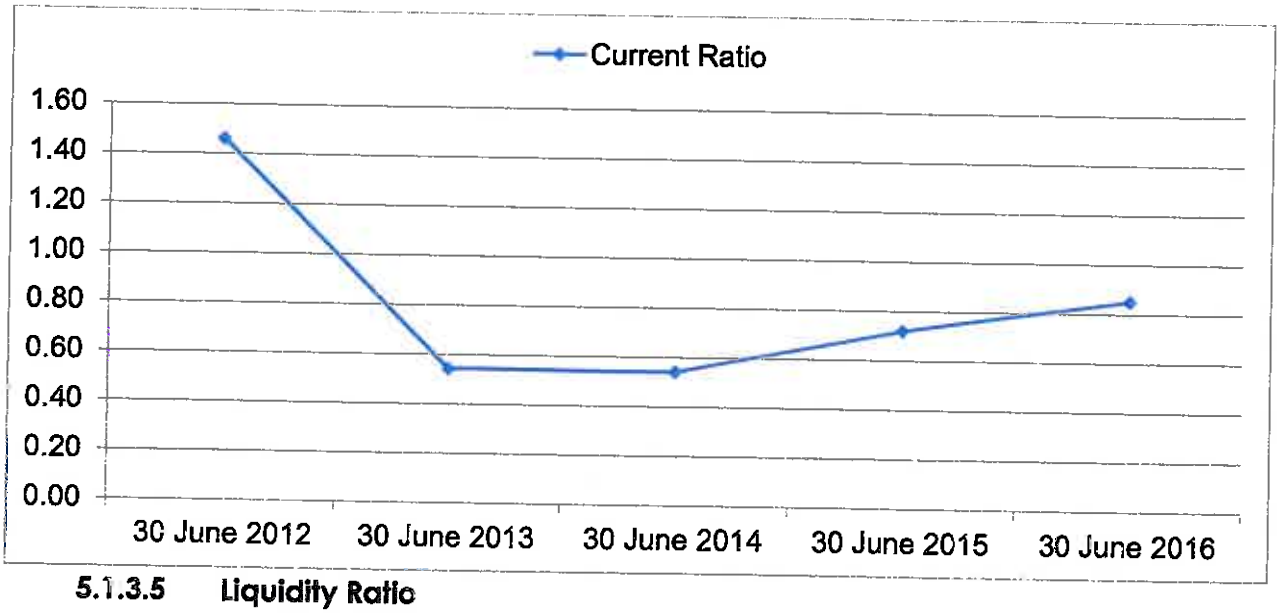


5.1.3.4 Current ratio

The Ratio assesses the Municipality's ability to meet its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables etc.).
The ratio is determined as follows:

Current assets/Current liabilities

As at 30 June 2016, the Ratio was 0.85:1, whilst the Municipality's audited ratio as at 30 June 2015 was 0.72:1
In terms of the MFMA Circular No. 71, the norm is 1.5:1 to 2:1
The higher the current Ratio, the stronger the Municipality's financial capacity to meet its current obligations.
A ratio of below 1:1 would suggest that the Municipality would be unable to meet all of its current obligations as and when they fall due.



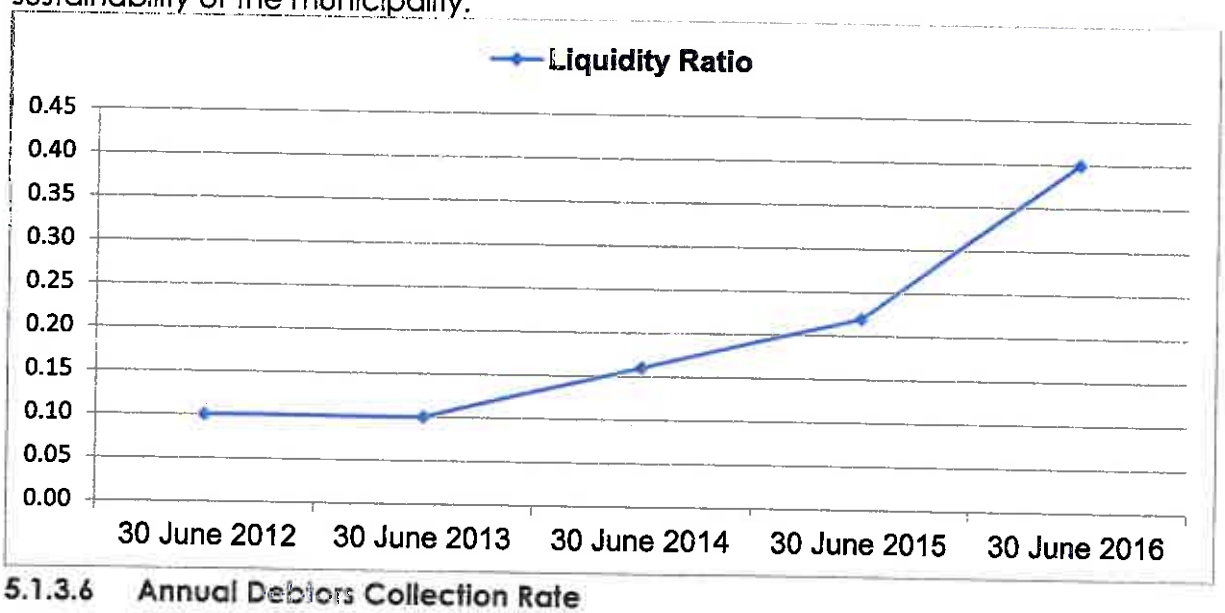
5.1.3.5 Liquidity Ratio

The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.
The ratio is determined as follows:

Monetary assets/Current liabilities

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 30 June 2016 was 0.40:1, whilst the Municipality's audited ratio as at 30 June 2015 was 0.22:1.

The liquidity ratio is of the utmost importance to measure the financial liquidity and sustainability of the municipality.



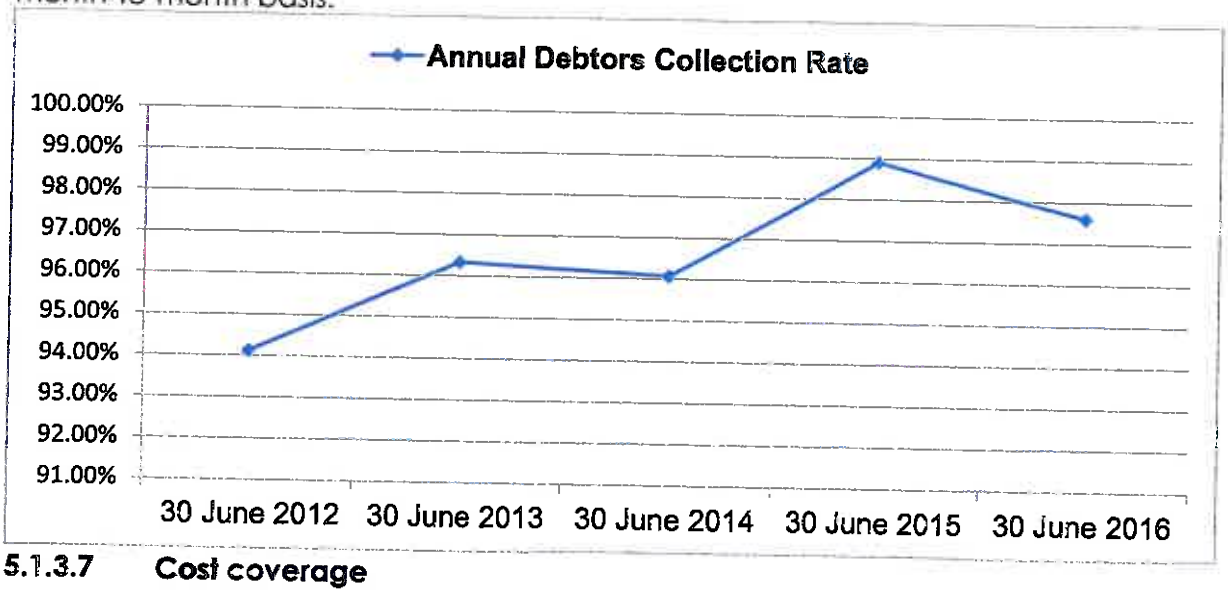
5.1.3.6 Annual Debtors Collection Rate

This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.
The ratio to determine the percentage collection rate is as follows:

Total Payments Received in Current month/Total Value of Accounts Rendered in the Previous Month X 100

Note: the reason for using the previous month's billing is due to the accounts only being payable the following month (i.e. account-holders are given one calendar month to pay their current accounts).

The average collection rate as at 30 June 2016 was 97.60%, compared to the average collection rate of 98.91% for the 2014/15 financial year. These percentages are calculated based on revenue receipted, compared to revenue billed on a month-to-month basis.



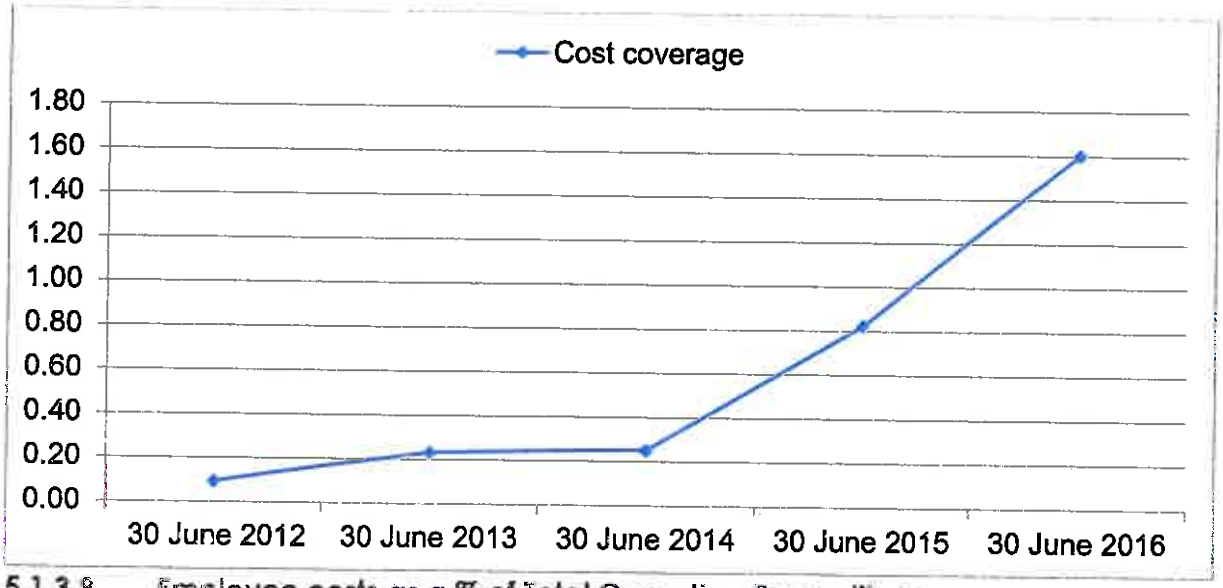
5.1.3.7 Cost coverage

The Ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue, during that particular month.

The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal day-to-day operational expenditure, but rather reserved for Grant related expenditure.
The ratio is determined as follows:

Cash and cash equivalents – unspent conditional grants – overdraft + short-term investments/ monthly fixed operational expenditure excluding (depreciation, amortisation, provisions for bad debts, impairment and loss on the disposal of assets)

As at 30 June 2016, the Ratio was 1.60 months, whist the Municipality's audited ratio as at 30 June 2015 was 0.82 months.
In terms of MFMA Circular No. 71, the norm is 1 month to 3 months

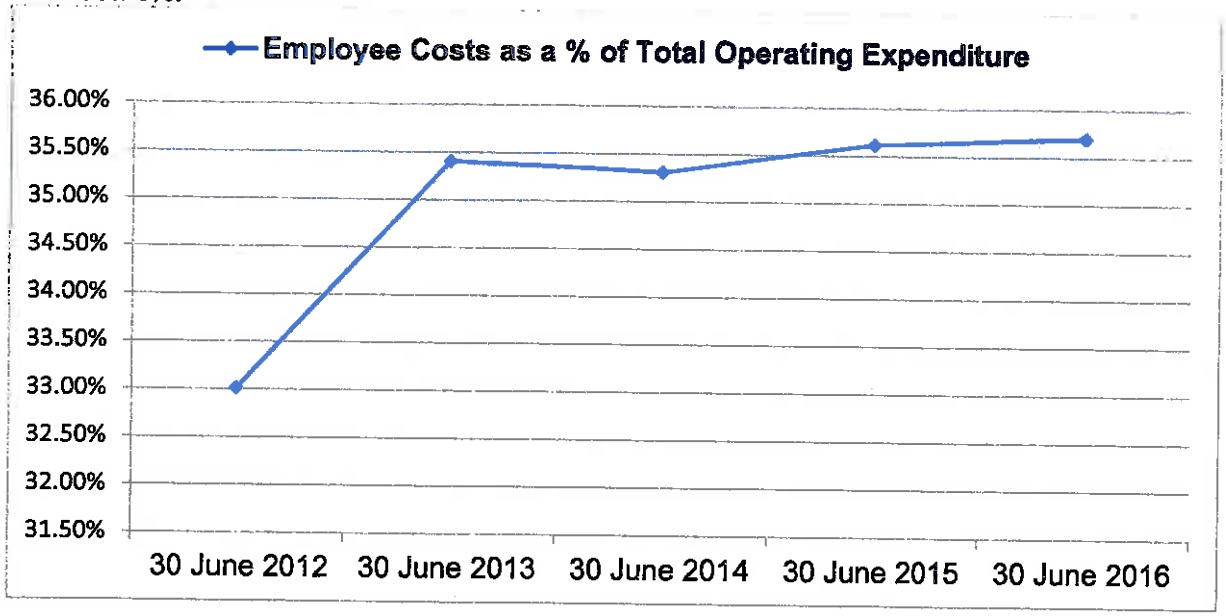


5.1.3.8 Employee costs as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the employment of human resources. The ratio is determined as follows:

Employee Costs to date/Total Operating Expenditure to Date

As at 30 June 2016, Employee Related Costs constituted 35.62% of the Total Operating Expenditure, whilst the Municipality's audited ratio as at 30 June 2015 was also 35.70%.

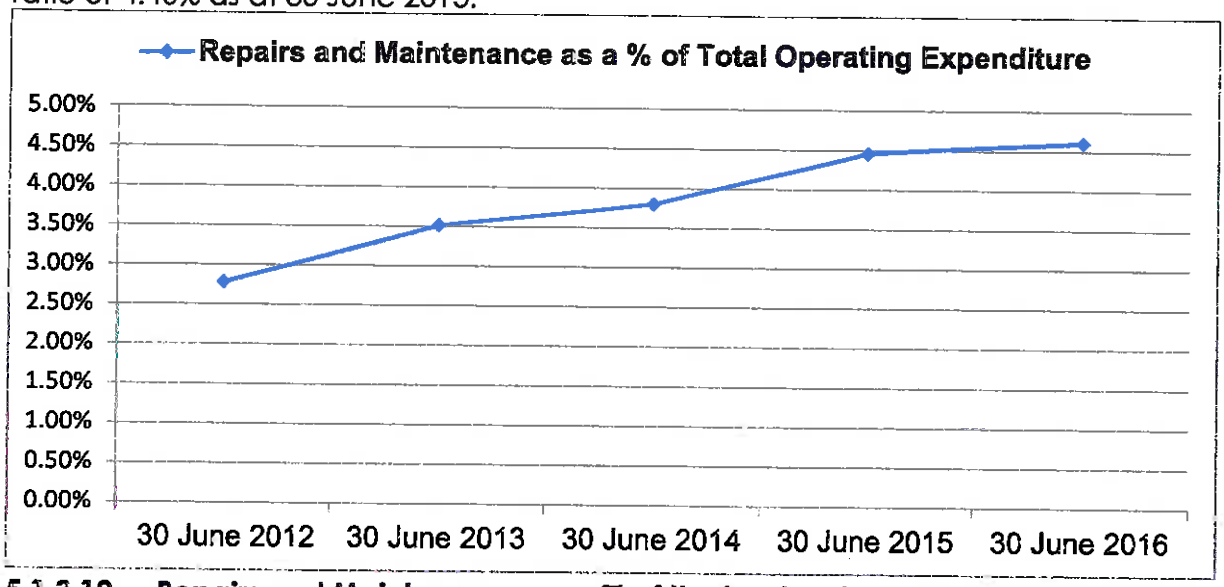


5.1.3.9 Repairs and Maintenance as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the repairs and maintenance of its assets. The ratio is determined as follows:

Repairs and maintenance expenditure to date / Total Operating Expenditure to date

As at 30 June 2016, the Ratio was 4.61%, compared to the Municipality's audited ratio of 4.46% as at 30 June 2015.

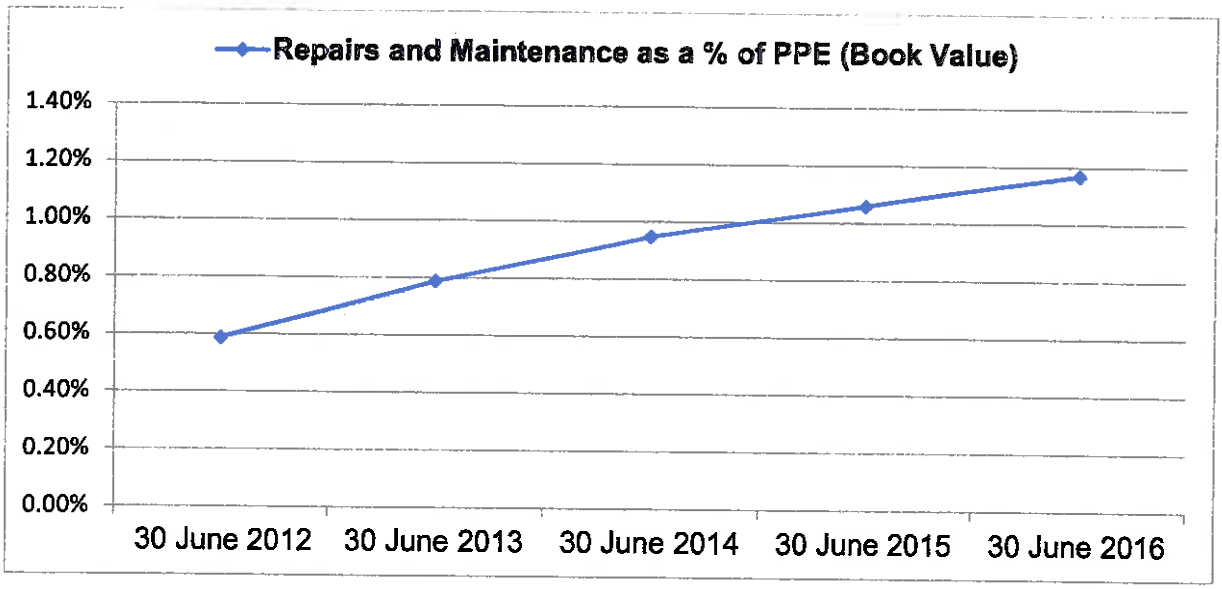


5.1.3.10 Repairs and Maintenance as a % of the book value of Property, Plant and Equipment (PPE)

The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.
The ratio is determined as follows:

Repairs and maintenance expenditure to date / Book value of PPE to date

As at 30 June 2016, repairs and maintenance expenditure constituted 1.17% of the book value of PPE. The Municipality's audited ratio as at 30 June 2015 was also 1.06%.
In terms of the MFMA Circular No.71, the norm is 8%.

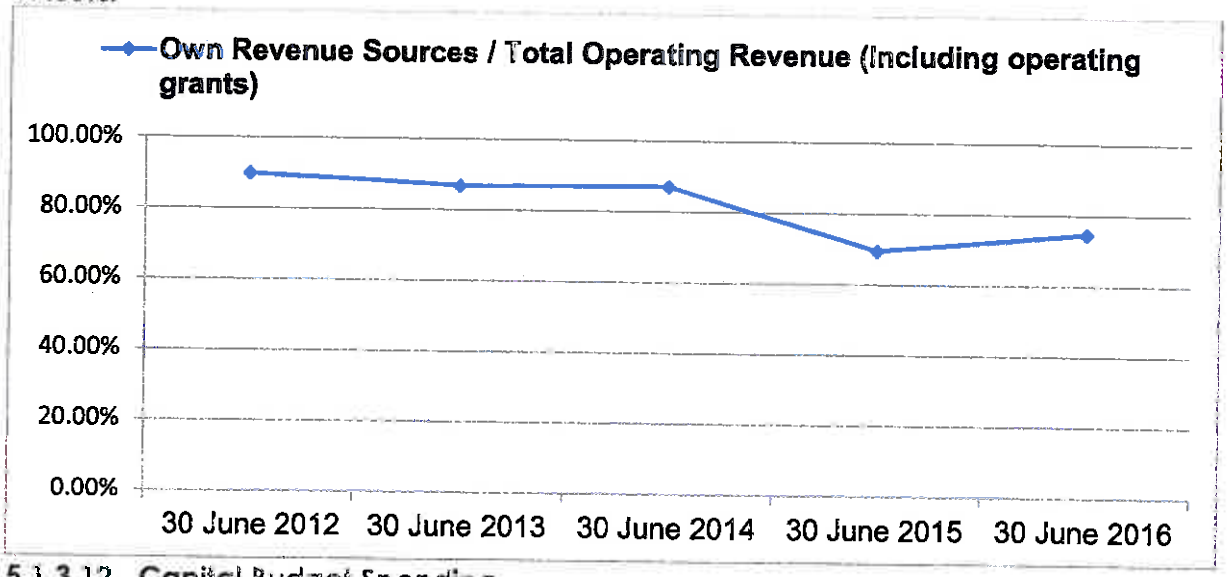


5.1.3.11 Own Revenue Generation

This ratio measures the extent to which the Municipality has control over its revenue sources, i.e. what percentage of its revenue is generated locally. The higher the ratio, the less reliant a Municipality is on Provincial and National Government to support its operations.
The ratio is determined as follows:

Own Revenue Sources / Total Operating Income (includes operating grants)

As at 30 June 2016, the Municipality's own revenue sources constituted 74.74% of its total Operating Income. The Municipality's audited ratio as at 30 June 2015 was 69.55%.

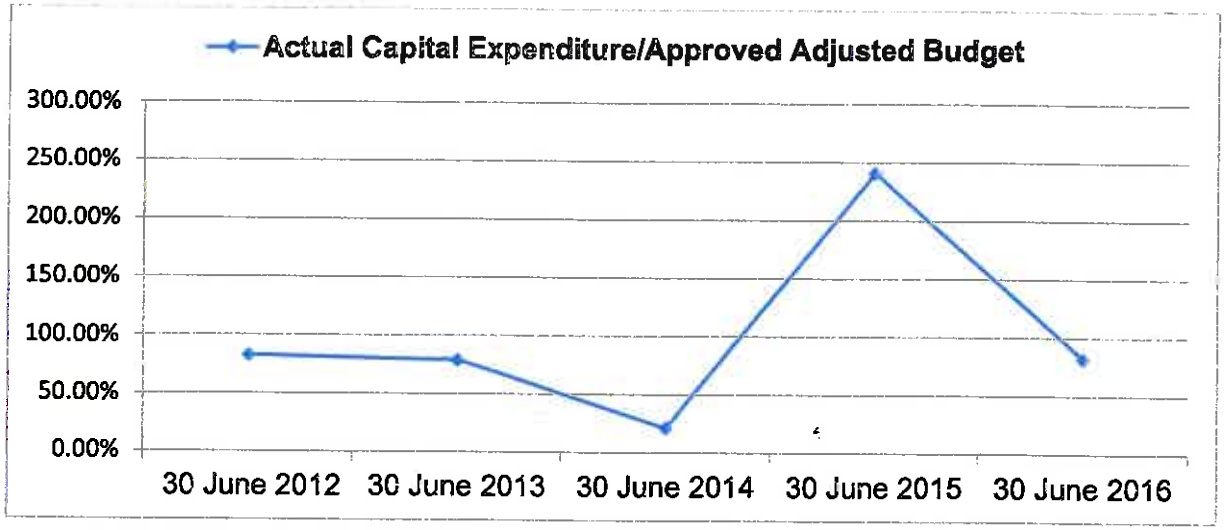


5.1.3.12 Capital Budget Spending

This ratio assesses the level of actual capital spending, compared to the budgeted capital expenditure.
The ratio is determined as follows:

Actual Capital spending / Approved Capital Budget

The actual spending as at the end of June 2016 amounted to 81.97%, compared to the 2015/16 Capital Adjustments Budget. The Municipality's audited ratio as at 30 June 2015 was 241.30%.



5.2. Arrears in Property Rates and Service Charges

(Refer to page 38 – 41 of Annual Financial Statements)

5.3. Anti-Corruption Strategy

(The anti-corruption strategy and fraud prevention policies are both in draft format)

CHAPTER 6: AUDITOR – GENERAL FINDINGS

In this chapter the 2015/16 audit report and the associated audit action plan will be discussed.

(Refer to attached Annexures for the Audit Report and Audit Action Plan)

6.1 Audit Report 2015/2016
6.2 Audit Action Plan 2015/2016
6.3 Performance Report for 2015/2016